

Electioneering charge in W. German spy case

BY JONATHAN CARR

BONN, Sept. 1

WEST GERMAN authorities investigating espionage allegations today searched the Bonn office of a parliamentarian belonging to the ruling Social Democrat Party (SPD). They declined to reveal the results.

Simultaneously, the SPD accused the opposition of misusing the espionage investigation to discredit Government policy at home and abroad and thus gain an advantage in vital provincial elections.

The search, carried out by officials of the Federal Attorney's office, followed a brief special session of the Bundestag which voted to lift the parliamentary immunity of the SPD Deputy concerned, Dr. Uwe Holtz.

The vote was unanimous—thus with Dr. Holtz himself supporting the action and urging that the investigation be carried out as quickly as possible so that his name could be cleared. He has been a member of the Bundestag since 1972 and is chairman of its committee on development aid matters.

Today's action comes two days after official word that the per-

sonal side of the business manager of the SPD, Herr Egon Bahr, was also being investigated in connection with the spying allegations. There has been no word on the result of this examination either.

The Government itself has given little information—has firmly said the affair could not justly be compared in importance with the spy scandal which presented Herr Willy Brandt as Chancellor in 1974.

However, the respected Frankfurter Allgemeine Zeitung voiced the feelings of many when it said in an editorial today that the case could hardly be a small one if it involved the lifting of the immunity of a parliamentarian.

The truth is that on the basis of the slim evidence available so far—accompanied by copious rumour and party political sniping—few know what to think.

It is accepted that the origin of the present investigation lies in revelations about spying in Bonn on behalf of communist intelligence made by a high level Romanian official who

vanished in Cologne last month. Beyond that, nothing seems certain. However, a "hot political autumn" had long been forecast here, with a crucial election in the state of Hesse next month—only the first of a series which could upset the balance of power in Bonn.

Herr Bahr has for years been a major target for the opposition ever since he acted as a principal architect of Herr Brandt's "Ostpolitik" in the early 1970's. The opposition accuses him of favouring the Communist states too readily and of toying with the idea of West German withdrawal from NATO—suggestions which Herr Bahr has recently again dismissed as ridiculous.

The opposition now accuses Herr Bahr of warning his aide, Herr Joachim Brundre-Groeger, that he was under suspicion before authorities could fully carry through their investigation. Herr Bahr denied this, saying his aide only learned of the espionage allegations when they first appeared this week—in the right-wing press.

Washington worried by Nicaragua

By Joseph Mann

MANAGUA, Sept. 1

THE U.S. GOVERNMENT is reformulating its policy toward Nicaragua in the wake of the increasing violence and steadily worsening political situation in the country.

"Washington is very concerned about an impending civil war," an American official said privately yesterday. The U.S., which under the Carter Administration had "preached democracy" to Nicaragua, is now supporting its position with a strong overall policy, much change its tactics, the official said.

The most likely option open to Washington to press for mediation between the embattled Government of General Anastasio Somoza and the various Nicaraguan opposition forces, Federal mediators would be the U.S. Government itself, other friendly governments or an international body such as the Organisation of American States (OAS).

Meanwhile, violence continued in the northern town of Matagalpa as the army pitted armoured personnel carriers and heavily armed soldiers against young rebels who control most of the city. During action yesterday troops advanced several times against rebel positions but made no progress.

Youths with pistols, light calibre rifles, and some handbombs held off greater numbers of National Guardsmen and confined them to the areas around the town's main square.

The army reported one soldier killed yesterday and wounded. Rebel losses were not known, but the 100-150 youths holding the town have been badly outnumbered since Monday.

In the capital, the anti-government general strike began a week and reached its peak strength yesterday. Local businessmen estimated that 80 per cent of commerce and 50 per cent of industry had been shut down yesterday.

They expected the strike to gain further momentum. However, public transport, banks and basic services were still functioning. Executives said they believed the strike could continue to grow if it manages to last the weekend.

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U.S. unemployment rate improves

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Sept. 1

THE U.S. UNEMPLOYMENT rate fell appreciably to 5.9 per cent of the work force in August, down from 6.2 per cent in the previous month.

Although unemployment has become a much less potent political and economic issue in recent months, the Carter Administration is likely to draw some encouragement from this latest reduction. Apart from the cut in the inflation rate in July, there has been little else to cheer about in the last few months.

However, the gyrations in the jobless rate since early summer argue against drawing too many conclusions from one month's performance.

In June, the percentage of the labour force out of work dropped sharply from 6.2 per cent to 5.7 per cent in July, however, that

gain was wiped out, suggesting that, after a period when there had been little change in unemployment, statistical aberrations may have distorted the figures in both months.

Given the growing evidence of a slowdown in economic activity after the spring boom, August's reduction in unemployment came as a surprise. In fact the increase in employment in August of 160,000 was much smaller than the average monthly increase for the preceding 15 months (July of this year 180,000).

The major gains were recorded by those sectors of the community who have found it hardest to find work. Unemployment among adult women fell in August to 6.1 per cent from 6.5 per cent in July, among all blacks and other minorities to

11.7 per cent from 12.5 per cent and among all teenagers to 15.6 per cent from 16.3 per cent.

Even black teenage unemployment, the worst structural aberration, dropped sharply to 32.4 per cent from 37.0 per cent.

The August returns once again bring the unemployment rate back below the Administration's projection for the end of the year, which remain at just over 6 per cent.

With nobody expecting the economy to grow at much more than 3.5 per cent in real terms at an annual rate over the last half of the year—which, classicly, would be insufficient to bring about further sizeable cuts in unemployment—the consensus view is that 6 per cent may be the natural floor for unemployment at the present rate of expansion.

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Begin to set out his objectives

BY OUR OWN CORRESPONDENT

TEL AVIV, Sept. 1

IN A TELEVISION and radio address to the nation tomorrow night, Mr. Menachem Begin, the Prime Minister, will outline the objectives he is seeking for Israel during next week's three-day summit at President Jimmy Carter's Camp David retreat.

The main lines of his policies are already well enough known and there is no outward sign that he is seeking for Israel during next week's three-day summit at President Jimmy Carter's Camp David retreat.

One suggested change was dropping the requirement for Israeli troops in the West Bank to retain responsibility for public order as well as general security.

Another was that West Bank and Gaza Arabs should be granted a larger share of self-rule than at first envisaged.

Mr. Begin has said that he will put forward "new formulations" of his peace plan. It seemed unlikely that he had anything in mind that would come near President Sadat's demand for full Israeli withdrawal to 1967 frontiers.

In the same speech, Mr. Begin also turned down a suggestion, canvassed in the American Press, for U.S. troops to be posted in the West Bank as guardians of Israeli security.

Government sources reported that Mr. Moshe Dayan, the Foreign Minister, has been exploring the possibility of changes in the 26-point Begin peace plan to make it more palatable to President Anwar Sadat.

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Isham Hijazi writes in Beirut: Syria and the Soviet Union have worked out a common strategy to deal with whatever may come out of the Camp David talks, according to Arab diplomats who have been following the talks in Moscow by Syrian Foreign Minister Abdel Halim Khaddam during the past three days.

The diplomats said Mr. Khaddam received fresh assurances of Soviet support in the event of a bilateral agreement between Egypt and Israel.

But Moscow was reported to have advised restraint by the Syrians in Lebanon.

Meanwhile, the 30,000 Syrian troops with the Arab peace-keeping force in Lebanon and Palestinian guerrillas have been placed on high alert in anticipation of possible Israeli military action in Lebanon.

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HOME NEWS

Labour policies breed despair, says Thatcher

BY RAY PERMAN, SCOTTISH CORRESPONDENT

DOLE QUEUES and the frustration of Labour's socialist paradise were a breeding ground for disaster and despair in the future, Mrs. Margaret Thatcher, the Conservative Party leader, said last night.

Earlier she had told party workers that the Tory General Election campaign would be based on the themes of reducing taxes, maintaining law and order and the defence of democracy. But in a speech to Young Conservatives in Glasgow at the end of her two-day Scottish tour she launched a fierce attack on the Government's industrial record using the slogan "Labour isn't working" — the caption on the controversial Conservative advertising poster.

Successful private enterprise would create jobs in the future, not planning agreements, she said.

One of the most important tasks of the next government would be to build the economic conditions in which genuine jobs could be created.

"I am not talking about more artificial jobs; they may be better than having nothing to do, but what we really want are jobs that not only create extra work, but extra wealth."

"Unemployment can't be reduced for long by measures

which simply affect the statistics and convert actual unemployment into concealed employment. That's like treating the symptoms rather than the disease."

Taxation had to be reduced on incomes and profits, success had to be applauded rather than envied. Government borrowing and detailed regulations which diverted effort from production and efficiency had to be reduced.

"Let us get this clear: real jobs are created by the skill and energy of those in industry and commerce who see a market and satisfy it. The most useful thing a government can do is assist and encourage this natural process. Above all, governments must not impede it."

It was not difficult to see why they were nervous of facing the future, she added.

Mrs. Thatcher also mocked the "frightened five" — the senior Ministers reported to have urged Mr. Callaghan to wait until next spring before calling an election.

"There argument seems to be: Never accept a thrashing today if you can put it off until tomorrow."

Weekend flight delays of up to 34 hours

BY LYNTON McLAIR

MANCHESTER AND Glasgow airports are likely to be among the worst hit this weekend as passengers face delays of up to 34 hours because of continued industrial action by French air traffic controllers.

The dispute has cost Thomson Holidays £500,000 in accommodation, coaches and extra flights. But last night the travel organisation said it planned to re-route holidaymakers for the Costa Brava, Spain, to and from northern Italy.

Up to 2,000 passengers would be offered the chance to fly from

Genoa after a 14-hour, 350-mile coach journey from Britain. The journey would probably take less time than that likely to be spent at UK airports.

Glasgow airport officials said it was difficult to predict the delays likely this weekend, but 30 hours was not ruled out.

At Manchester, staff said delays could stretch to more than 34 hours. There was still a backlog of aircraft from last weekend to clear.

Meanwhile, a delegation from the Association of British Travel Agents met French traffic controllers in Paris.

Radiochemical Centre exports increase 5%

BY DAVID FISHLICK, SCIENCE EDITOR

THE RADIOCHEMICAL Centre, the State-owned company manufacturing radioactive drugs and chemicals, last year increased exports to 33 per cent of its sales which totalled £32.7m.

In the previous year exports accounted for 78 per cent of sales.

Writing in the annual report, published today, Sir John Hill, chairman, pays tribute to the "strength and commercial resilience" of the overseas marketing division which has produced sales of £27.2m.

Group sales as a whole rose by 92 per cent, although part of the increase was due to the changed status of its U.S. company, from an associate to a wholly-owned subsidiary called Amersham Corporation.

The Radiochemical Centre increased its pre-tax profits from £4.9m to £6.7m — a 33 per cent return on capital employed.

The dividend for the year is £719,000, payable to the UK Atomic Energy Authority, of which it is a wholly-owned subsidiary.

Trade balance shows £289m surplus

BY MICHAEL BLANDEN

THE TURNROUND in Britain's trade balance last year was even greater than had been indicated previously, according to the latest and complete figures published in the Government's annual Pink Book.

The current account surplus is now put at £289m, a sharp swing from the previous year's deficit of £1.14bn. The estimates published previously indicated that the surplus was only £165m, while the 1976 deficit was put rather lower at £58m.

The main reason for the revision lies in a rather better performance last year on the invisibles account, compared with lower figures than previously indicated for 1976.

Invisible earnings for 1977 are now put at just under £2bn. This still shows a marked downturn from the £2.45bn recorded in 1976, but not as great as had appeared from the figures published so far.

It is likely that the new evidence on invisibles will lead to some upward revision of the estimates used so far for invisible earnings in the first quarter of the year. In recent months the current account figures have been worked out on the basis of invisible earnings running at the equivalent of £120m a month.

The Pink Book also highlights the major contribution made by North Sea oil and gas to the

dramatic improvement in the trade figures, both last year and over a longer period. This programme accounted for more than £1.5bn of the improvement in the visible trade balance last year, from the 1976 deficit of £3.59bn to a deficit of £1.71bn.

However, this contribution was partly offset by the build-up of interest, profits and dividend payments due abroad, from £24m to £387m, and this accounted for a large part of the fall in the surplus on invisibles.

A special table shows that between 1973 and 1977 the direct contribution made by North Sea oil and gas to the current account has moved from a deficit of £26m to a positive total of £938m. At the same time, its contribution to the capital account has risen from £64m to £1.35bn.

Narrowing

The breakdown of the invisible earnings shows that the City's net overseas earnings totalled £1.75bn. This was a slight fall from the previous year's exceptional £1.84bn, but well up on the £1.35bn recorded in 1975.

Most sources of City income increased between the two latest years, but earnings from commodity trading were almost halved at £109m. There was also a sharp decline from £244m to £76m in the net interest received by the banks from overseas be-

Record turnout at Motor Cycle Show

By Kenneth Gooding, Industrial Correspondent

RECORD ATTENDANCES at the International Motor Cycle Show, Earls Court — which ends today — have increased the industry's confidence about 1979 sales even though the statistics for this year paint a fairly gloomy picture.

In the first seven months of 1978, motor cycle registrations fell by 1 per cent to 56,276 compared with the same period last year.

The trade blames the poor summer weather — because sunshine always boosts sales.

Total two-wheeler registrations are bound to fall severely from the 256,373 recorded in 1977 because of a slump (under 500c) sales have been badly affected by the legislation, introduced last July, restricting these machines to a maximum speed of 50 mph.

This has practically closed the market for sports models.

Registrations

In the January-July period, mopeds registrations dropped 68 per cent to 23,821 on the same period last year, according to the motor cycle registration information service.

Scooter registrations, a small part of total business, advanced 3 per cent to 1,841 during the period.

Attendance at the show in London was yesterday set to pass last year's 127,000.

In the first six days 107,310 paying members of the public turned out and on Monday the attendance reached 22,700, the highest ever for one day in the recent series of shows.

Price rise sought for gases

By Our Consumer Affairs Correspondent

AIR PRODUCTS, the U.S. manufacturer of industrial gases which European operations are based in London, is seeking to raise its prices for a range of industrial gases by 6 per cent.

However, the Price Commission has decided to investigate the proposed rises and during the three months this is likely to take the company cannot raise its prices. It also shows that its profit margins have been hit by the price freeze.

Air Products is the second largest supplier of industrial gases in the UK, after British Oxygen. Gases for which Air Products is seeking a price rise include oxygen, nitrogen, argon, hydrogen and carbon dioxide.

Monopolies probe clears Armitage

ARMITAGE SHANKS Group's monopoly in the home and export markets for the supply of ceramic sanitaryware does not operate against the public interest according to a report by the Monopolies and Mergers Commission.

The Commission says that, while prices of coloured and luxury sanitaryware were higher than cost would justify, the company was not making excessive profits.

It also ruled that there was no price collusion among the major manufacturers in the industry. The ruling was welcomed by Mr. Roger Opie in a minority report.

Confidential rebates offered by Armitage Shanks to customers do not, says the Commission, have any significant distorting effects upon competition between the industry's customers, mainly builders' merchants.

Judge's will

SIR HAROLD DANCHEWITS, of Lincoln's Inn, London, a former Lord Justice of Appeal — and the oldest judge in England when he died in 1966 — left £25,526 gross (£26,667 net) in his will published yesterday. He died in June, aged 90.

ICI withdraws pay offer to manual workers

BY PHILIP BASSETT, LABOUR STAFF

ICI withdrew yesterday its proposals to pay manual workers in an attempt to solve the company's chronic shortage of scientific and technical workers which has severely affected its Teesside operations.

The proposals, drawn up for formal negotiation with the company's eight signatory trade unions only weeks after agreeing a Phase Three settlement, were formulated without first taking into account considerations of Government incomes policy.

The Department of Employment has contacted the company about the proposals. ICI made it clear that it was aware of the 12-month rule in the White Paper setting out Phase Four, and gave assurances that an agreement on the proposals would not be outside guidelines.

The proposals have been withdrawn and a meeting with the unions next Thursday has been called off. The company said yesterday in a letter to all its employees that because of the serious problems, it would now consider "the steps it sees necessary to maintain production" at the affected Wilton plants on Teesside.

Under the proposals, workers in the top scientific and technical grades would have received a 7.5-per-cent rise and those in the grade immediately below an increase of 5.5. All manual workers, including these two grades, have also been offered consolidation of £6.60 pay supplements.

The company said yesterday that the proposals would have gone to the meeting if the Wilton craftsmen had co-operated to alleviate a shortage of instrument artificers.

It said members of the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union at Wilton have said that they cannot implement the co-operation measures, including the resumption of instrument artificer training acceptance of increased mobility on the site and agreement to "specific, limited and temporary use of contract workers" on Wilton instrument work until the pay changes have been brought in.

Mr. John Grime, secretary of the ICI joint shop stewards committee, said yesterday that the union had not thought that the company could expect any movement on co-operation until after the pay changes. ICI shop stewards will meet to discuss the motion tomorrow.

The unions want improved rates for craftsmen before they will agree to co-operate in the training of fitters and electricians to be artificers.

Shortages of artificers have forced the company to start a programme of plant closures at Wilton. A small ethylene plant has closed, an ethylene oxide derivative plant is unable to be commissioned, and parts of the polyethylene and petroleum resin plants are now shut.

No workers have yet been made redundant at Wilton, though the company has stopped all further recruitment for the site.

Lorry drivers win 5% wage rises

BY NICK GARNETT, LABOUR STAFF

LORRY DRIVERS in nationalised freight companies have been awarded wage rises equivalent to about 5 per cent by the Central Arbitration Committee in the wake of Phase Three guideline-breaching deals in private haulage.

The award, made under Schedule 11 of the Employment Protection Act, follows claims by the Transport and General Workers' Union and the National Union of Railwaymen and affects 30,000 drivers and vehicle engineers.

It has been made in addition to a 10 per cent annual pay settlement and mirrors the deal of up to 15 per cent negotiated by private companies in the Road Haulage Association during the last wage round.

The committee's award, back-dated to April, covers drivers in the National Freight Corporation incorporating National Carriers, British Road Services and Road Line among other companies, together with drivers at the Freight Liners part of British Rail.

It gives drivers of the heaviest trucks £53 for a normal working week, together with consolidation of pay supplements in line with private haulage. A claim for an extra week's holiday was refused.

Lorry drivers, who in numerical terms were one of the most significant groups to breach the Three-Year rule, are expected to mount a formidable challenge to the present 5 per cent pay guideline.

The Transport Workers have fixed their claim for rise of more than 20 per cent. Petrol tanker drivers, whose average pay is about £115 a week, are submitting substantial claims to the oil companies.

Railmen decide to go for 35-hour week

BY OUR LABOUR STAFF

THE EXECUTIVE of the National Union of Railwaymen decided yesterday to submit a claim for a 35-hour week to the Railway Staffs National Tribunal, the highest tier in the industry's negotiating structure.

The tribunal sits under Lord McCarthy, the industrial relations expert in his capacity as an independent arbitrator.

The railways weekly paid staff currently work a 40-hour week, and salaried staff 38 hours. The claim applies to both groups.

Mr. Sid Weighell, the NUR general secretary, also written to Mr. Peter Parker, chairman of British Rail, asking for an investigation into why the railways cannot recruit sufficient staff in a number of grades.

Mr. Weighell's letter says there are a number of grades "in which the problem of recruiting and training staff is acute" in which excessive overtime appears to be the established practice.

There are for instance, acute shortages in the permanent-way grades, of overhead linemen, signallers and of certain railmen, particularly shunters.

Dockers call off strike

DOCKERS at Southampton decided yesterday to end an eight-day strike over safety procedures.

Mr. Ritchie Pearce, chairman of the 1,900 dockers' shop stewards, said that the strike had been about safety procedures in the wider context and not simply about spots of oil on the litters of a container-moving machine.

The men had also received assurances about the future from the British Transport Docks Board. This enabled the shop loggins.

Scientists' pay talks fail

TALKS yesterday on a dispute about a productivity bonus involving managers and scientists at Laporte Industries failed to reach a settlement. The dispute will be referred to the Central Arbitration Committee if further talks set for September 11 also fail.

The dispute, involving members of the Association of Professional Scientists and Employment Protection Act.

Teesside 'cheap iron' plant on stream

By Roy Hodson

BRITISH STEEL Corporation's plans to make iron cheaply from imported ore are nearing completion. One vital stage was completed yesterday when an ore-pelleting plant which has cost £39m was commissioned on Teesside.

The processed ore will supply Europe's biggest blast furnace, being built at Redcar, Teesside. The 10,000-ton-a-day iron output will be a major factor in British Steel's programme for reducing production costs at Teesside and other Northern steelworks.

With the commissioning of the new ore plant, which can produce 3m tonnes of pellets a year, the corporation has spent £164m on the Redcar development.

A 4m-tonne-a-year ore sinter plant was commissioned earlier in the year, and a battery of coke ovens in May.

With associated steelmaking and finishing plant the Redcar site is Britain's biggest integrated steelmaking investment.

The application by Dresser has aroused strong feeling in the Peak District, with opinion divided.

Opposition came from conservationists, farmers and some communities of the residents against the planning permission for a guarantee equivalent to 70p per cubic metre of "void" created, totalling an estimated £175,000.

At the committee's insistence an inflation element is to be used in negotiations to decide the basis for calculating this.

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British aerospace industry expects big Boeing deals

CONTRACTS WORTH many millions of pounds will become available for UK aerospace companies over the years ahead for work on the airframe of the Boeing 737 jet aircraft, as well as in supplying parts for the Rolls-Royce RB-211-535 engines that will power the new aircraft.

As a result of the Government's plan to get British Aerospace back into the European Airbus Group to help develop the A-310 version of the Airbus (in addition to continuing to build the wings for the B-2 and B-4 aircraft), the UK will not now officially take up Boeing's original offer of risk-sharing collaboration on the 737.

But there is nothing to prevent Boeing offering sub-contract work to companies in the UK. It will need to do so, to ensure that it can get enough factory capacity, skilled labour and machine tools to keep its two big new development programmes on the 737 and 747 aircraft up to schedule at a time when its production rate on existing 727, 737 and 747 jets is being raised to reach 24 aircraft a month by late 1979.

Boeing will spend up to \$750m in developing the 737, on top of \$1.5bn for the 747, and quantity production will take more cash. Much of the development money will come from major U.S. risk-bearing partners, which will now move in quickly to fill the gap left by the UK Government's rejection of Boeing's collaborative offer.

But there will be enough direct sub-contract work available to keep many UK avionics, metallurgical and other companies busy for many years, on what may amount to a 1,000-aircraft programme by the end of this century. Some UK companies may even independently be prepared to put up risk-bearing cash in order to get a share of the business.

One major contract to be awarded is that for "podding" the RB-211 engines for the 737—encasing each engine in a cowling, with pylons to attach it to the aircraft's wings. Short

Brothers and Harland of Belfast already makes millions of pounds in podding RB-211s for Lockheed Tristar and for Boeing 747 Jumbo jets, and it will now bid strongly for the podding contract on the 535 for the 737.

Boeing will also need fuselage and wing skin panels, electrical systems, advanced avionics (airborne electronics), hydraulic and other equipment, much of which can be bought off-the-shelf or swiftly adapted for the 737. UK avionics and other companies can be expected to fight vigorously for these contracts.

Rolls-Royce itself, whose orders for the 535 engine from British Airways and Eastern will amount to \$300m, will have to move in quickly to fill the gap left by the UK Government's rejection of Boeing's collaborative offer.

Thus, although the Government is not interested in risk-bearing collaboration with Boeing on the 737, there is every reason to believe that many individual companies take a different view, and the UK aerospace industry may still get a very big share of the 737 work programme.

While inter-governmental discussions continue with the French and West Germans on Britain's plan formally to rejoin the Airbus Industrie group, the discussions at company level on working-sharing, and detailed design and planning for the A-310, are already well advanced.

British Aerospace, Aérospatiale

of France and Deutsche Airbus of West Germany (which comprises Messerschmitt-Bölkow-Blohm and VFW-Fokker) have been talking quietly for months on these matters, and plans are already far advanced for the UK to take up to 30 per cent of the work on the A-310, including the wings.

British Aerospace said yesterday that it could make a significant contribution to Airbus

broadly on what to do even if so far their governments have not settled the political question, however, is vital, without it none of the industrial plans can come to fruition. Earlier this week M. Bernard Lathière, president of Airbus Industrie, it clear that if the industrial collaboration from the UK did not materialise because of political failure to agree, the existing Airbus partners would still be able to undertake the work on the A-310, including the wings, by themselves.

At the industrial level, the companies also recognise the long-term benefit to the A-310 programme of offering the aircraft with a variety of engines—the Rolls-Royce RB-211 in its Dash 22 version of over 40,000 hp thrust, as well as the U.S. General Electric CP-45.

This follows the trend increasingly adopted by other aircraft makers of offering a choice of engines, which helps to widen the potential market. Many airlines worldwide who currently have Rolls-Royce engines would be more interested in the A-310 if they could have it with Rolls-Royce engines instead of the GE powerplants.

One argument put forward by the French Government is that by permitting British Airways to buy the 737, while also wanting British Aerospace to get a share of the A-310, the UK has already virtually stabilised the A-310 in the back, because the two aircraft are competitive in world markets.

This is carrying the argument too far. It is true that both aircraft are intended for short-to-medium range, but the A-310 is a higher, heavier wide-bodied aircraft with a range of more than double that of the 737. While the 737 can carry up to 209 passengers in a high-density version, its normal payload is set at about 170, whereas the A-310 is intended to carry 200-plus.

Industrie as a full partner, "and could help ensure that in this sector of the business it (Airbus Industrie) develops into one of the decisive groups to emerge in the Western world during the remainder of the century."

But at the same time, British Aerospace also wants to see much closer interest and effort by the main elements in UK and European aviation—manufacturers of airframes, engines and airlines—that would prevent a repetition of this summer's situation when British Airways, Rolls-Royce and British Aerospace all took differing views on future activities.

The target date of January 1 for official UK Government resumption of membership of Airbus Industrie is intended mainly to give time for the political discussions and the legal work to be completed. It is not likely to prevent these inter-company discussions from continuing.

The three companies agree

Wool-textile industry 'could save millions'

The wool-textile industry could save £5m a year on its annual energy bill by more efficient energy management, a report prepared by WIRA, the technical centre for the wool-textile industry, said yesterday.

The report is the first on various sectors of industry to be published by the Industry Department's Energy Unit. Opportunities for energy saving vary from reducing heat losses from loading bays to high-cost projects such as heat recovery equipment and boiler plant.

Companies are able to take advantage of the Government's energy survey scheme, which provides a £75 grant to cover the cost of a one-day visit by an approved consultant, or half the cost of an approved extended visit.

Another scheme provides financial help for any work done to improve buildings or increase thermal efficiency of boilers.

Agreement to limit trouser exports

BY RHYS DAVID

AN AGREEMENT limiting Singapore's rapidly growing trouser exports to the UK has been negotiated by the EEC after representations by the British Government. The restriction applies to cotton, man-made fibre or wool trousers for men and women, and will limit Singapore to exports of 300,000 garments this year, roughly the same level as in 1977. Quotas will also operate in the years 1979-82.

The agreement has been negotiated in response to pressure from UK textile manufacturers who have been concerned by a sudden surge over the past two years in Singapore's exports.

In 1976 exports were only 16,000 garments, but with imports in the first six months of this year already reaching 170,000, total deliveries were set to exceed last year's very high levels. Imports of knitted trousers from Singapore into the UK are already covered by surveillance licensing—the UK procedure for checking the flow of goods—and current licences have now been revoked with effect from yesterday.

The Singapore authorities will administer the quota by issuing to their exporters export certificates.

Pressure is also now building up on the EEC to implement safeguard procedures against textile imports from a number of other producers, in particular several Mediterranean countries.

The UK industry remains concerned at the high level of imports from Turkey, Spain, Portugal, Greece, Tunisia, Malta and Cyprus.

Council has ring road scheme for London

By Ian Hargreaves

Transport Correspondent

PLANNERS FROM the Greater London Council and the Department of Transport have devised an £80m scheme to improve the orbital flow of traffic between Edgware, north east of the capital.

This plan, now being circulated secretly to London borough councils and neighbouring county authorities, would involve new bridge east of Walton-on-Thames. The route runs between the M25 outer orbital motorway, now under construction, and the North Circular Road.

There was embarrassment in the GLC at the leaking of the proposals yesterday, and the Department of Transport at first denied any knowledge of the scheme before agreeing that two Ministry officials had worked on the confidential report.

According to a covering letter on the report from the council's planning and communications policy committee, the study report "has been agreed with the Department of Transport."

Miss Shelagh Roberts, chairman of the planning committee, said the reason for confidentiality was the desire to avoid creating blight or raising false expectations about a series of proposals which may never be adopted. She hoped a full council decision on the matter would be possible next year.

The plan, details of which run to 43 pages, is far from a return to the £2bn motorway box plan abandoned in 1973. It suggests a series of traffic management schemes, improvements and new construction to channel a flow of traffic from Edgware through Harrow, Northolt, east of Heathrow, Hampton Court, Sutton, Croydon and Orpington.

Disruptive

It does not provide for a new inner orbital route around the capital's entire boundary. This suggestion is rejected as being too expensive and disruptive. Strictly speaking, the most expensive part of the plan, the new bridge and associated spur, is not a GLC matter at all, but the council's planners clearly hope to influence Surrey County Council to back their view.

If the plans are approved, the council will almost certainly seek special Government financing for certain sections of the route, but Miss Roberts thinks that the council could find the resources without special aid in the period 1983-93 if necessary.

Although the scheme is very much a toned-down response to previous criticism of grand GLC road designs, it will certainly provoke considerable opposition. Its unofficial publication is well timed from the road objectors' point of view as a crucial public inquiry into the Swansley-Sevenoaks section of the M25 outer orbital opens on Tuesday.

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Capital: £10 million. Assets: £12 million. The fund is managed by Mr. J. H. Lawson, a former Director of the London Stock Exchange, who has been managing the fund since its launch in June 1974. The fund's performance has been excellent, with a 106% increase in capital over four years. The fund is designed to provide a high yield of 11.13% per annum, with four dividends a year. The fund is managed by Mr. J. H. Lawson, a former Director of the London Stock Exchange, who has been managing the fund since its launch in June 1974. The fund's performance has been excellent, with a 106% increase in capital over four years. The fund is designed to provide a high yield of 11.13% per annum, with four dividends a year.

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Consumer durables the key to industrial sector growth

The strong sectors among industrial companies with accounting years ending in the opening months of this year are almost exactly those in which companies whose year ended in the final three months of 1977 showed weak profits growth.

The total profit of the 210 industrial companies in the table below is 7 per cent up on the gross figure they recorded a year ago. A similar survey, published in the Financial Times on July 8, shows that gross industrial company profits grew by 9.2 per cent on a year-on-year basis. The return on capital employed by companies in the latest survey is virtually unchanged at 17.2 per cent.

In the July 8 survey, the main contributors to profit growth came from companies in the capital goods sector and the consumer non-durables area. In the present table, the basis for growth is the companies manufacturing consumer durables.

Trading profits growth here was up by 17 per cent and return on capital was well above the industrial sector average at 23.6 per cent. Within the durables sector the best performance came from the seven electronics, radio and television companies and the two motor distributors.

The relatively small sample size in particular sectors makes comparison difficult but it is worth noting that food manufacturers and textile companies reporting in the opening months of this year fared relatively worse than their competitors whose reported results in the last months of 1977.

The total trading profit from the six food manufacturers in the latest survey dropped by 8.1 per cent and the gross profit from the 12 textile companies was down 10.1 per cent. In the figure for the 12 food manufacturers' cumulative profits were the July survey 12 food companies was down 13 per cent marginally ahead of the previous year while the 13 textile companies recorded a total 16.3 per cent annual increase in 1977.

Industrial companies reported an annual increase in cash flow of 17.4 per cent in the latest table compared with 23 per cent in July. While the figure is still quite strong, it is the second time that growth in cash flow has come in at a lower level than previous years. The net current assets increased by 14 per cent, the same rate as recorded in the July survey.

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 282 COMPANIES

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 282 companies whose accounts ended in the period between January 15, 1978, and April 14, 1978, which published their reports up to the end of July, 1977. (Figures in £000.)

April 14, 1978, which published their reports up to the end of July, 1978. (Figures in \$000's)												
INDUSTRY	No. of Cos.	Trading Profits (1)	Profit before Int. & Tax (2)	Pre-Tax Profits (3)	Tax (4)	Dividends (5)	Dividend Yield (6)	Cash Flow (7)	Net Capital Employed (8)	Net Current Assets (9)	Return on Capital (10)	Return on Assets (11)
BUILDING MATERIALS	13	206,229.8 1207,087.0	-0.4 163,993.5	138,091.5 186,539.5	60,728.5 136,765.5	79,571.1 60,821.7	-14.4 (68.418.8)	17,890.7 (15,650.3)	96,184.9 (95,781.8)	965,059.5 960,323.6	17.0 (17.8)	33.4 27.501.1
CONTRACTING & CONSTRUCTION	7	34,648.6 (60,595.6)	+10.1 18,066.7	12,294.6 (12,129.7)	5,611.1 (10,304.6)	8,413.6 (6,176.9)	+56.2 (4.16.8)	1,954.0 (1,511.0)	15,341.8 (11,506.8)	84,389.0 (70,097.7)	17.8 (18.7)	33.4 35.477.4
ELECTRICALS (EX. ELECTRON. ETC.)	5	9,440.4 (8,400.4)	+11.0 7,099.5	5,347.5 (5,550.5)	1,742.0 (5,507.0)	5,137.5 (3,504.2)	+60.3 (3.52.5)	1,226.0 (823.9)	5,359.3 (3,678.7)	33,229.4 (26,979.0)	28.2 (26.8)	12.6 (11.537.1)
ENGINEERING	53	167,229.2 161,210.5	+4.1 138,218.9	114,834.3 (114,834.3)	23,081.5 (23,081.5)	74,617.7 (68,776.8)	-27.0 (15.749.4)	22,110.2 (16,749.4)	161,210.5 (63,953.5)	782,968.8 (74,905.7)	18.6 (19.0)	38.2 115.278.1
MACHINE TOOLS	3	58,482.0 (12,129.0)	+29.6 48,579.0	44,254.0 (31,155.0)	16,098.0 (13,471.3)	27,278.0 (15,301.4)	-75.8 (15.301.4)	4,580.0 (3,836.0)	51,438.0 (14,482.0)	211,640.0 (92,596.0)	23.0 (18.8)	11.2 (95.400.4)
MISC. CAPITAL GOODS	4	11,027.3 (12,129.0)	-	7,789.5 (12,129.0)	2,014.1 (12,129.0)	5,055.8 (12,129.0)	+18.4 (1.999.6)	1,835.0 (1,999.6)	4,949.1 (4,123.5)	49,769.8 (22,678.8)	17.7 (17.7)	27.8 (23.503.0)
TOTAL CAPITAL GOODS	62	477,971.7 141,489.9	+5.5 103,305.0	321,810.5 94,201.2	123,361.7 63,540.4	193,073.5 58,995.3	+27.5 -52.7	49,914.4 12,047.3	324,961.7 (18,191.2)	1,226,753.6 (1,091,953.5)	17.6 (18.9)	39.4 180.001.1
ELECTRONICS	7	141,489.9 141,489.9	+24.2 103,305.0	94,201.2 94,201.2	63,540.4 63,540.4	58,995.3 58,995.3	-52.7 -52.7	12,047.3 (10,508.0)	118,191.2 (10,508.0)	1,091,953.5 (1,091,953.5)	18.9 (22.5)	180.001.1 11.137.1
HOUSEHOLD GOODS	7	31,258.3 (21,357.1)	+10.5 24,480.8	21,357.1 (21,357.1)	3,702.4 (3,702.4)	14,697.6 (14,697.6)	-21.1 (14.697.6)	3,408.0 (3,408.0)	16,658.8 (13,308.0)	114,914.6 (79,586.7)	21.5 (22.5)	31.7 (22.5)
MOTORS & COMPONENTS	7	89,095.2 785,107.0	+5.4 64,579.0	57,664.2 (57,664.2)	11,991.3 (11,991.3)	22,758.0 (22,758.0)	-11.5 (22.758.0)	8,975.9 (7,003.5)	25,370.4 (22,694.1)	259,719.3 (259,719.3)	17.6 (17.6)	38.2 (38.2)
MOTOR DISTRIBUTORS	2	1,699.3 (1,699.3)	+19.9 1,452.2	1,150.1 (1,150.1)	619.6 (619.6)	504.4 (504.4)	-25.4 (25.4)	207.4 (156.5)	407.0 (380.4)	1,147.1 (9,323.7)	12.7 (12.1)	3.5 (2.450.0)
TOTAL CONSUMER DURABLES	25	222,485.9 119,749.1	+17.0 174,821.1	154,940.5 (154,940.5)	35,553.7 (35,553.7)	96,855.8 (77,308.1)	+25.3 -25.3	24,251.4 (104,513.7)	125,777.8 (104,513.7)	740,102.6 (78,065.1)	28.9 (28.9)	31.0 (28.9)
BREWERIES	5	74,169.1 (72,993.0)	+1.8 59,355.1	46,785.5 (46,785.5)	9,679.7 (9,679.7)	36,605.3 (36,605.3)	+62.3 (6.657.1)	9,647.1 (8,657.1)	54,178.7 (29,312.4)	191,419.1 (121,145.9)	10.9 (11.7)	70.2 (65.244.7)
DISTILLERIES & WINES	2	3,876.4 (5,935.3)	+25.5 3,429.7	3,019.2 (2,019.2)	757.2 (1,857.2)	2,262.0 (2,262.0)	+20.1 (1.857.2)	511.7 (1,708.0)	2,076.8 (1,708.0)	10,928.2 (20,892.8)	12.9 (12.9)	18.3 (18.3)
TOBACCO & CATERERS	1	2,562.0 (1,960.0)	+80.8 2,204.0	1,928.2 (1,928.2)	870.0 (870.0)	1,058.0 (1,058.0)	+37.0 (4.15.0)	467.0 (415.0)	892.0 (892.0)	13,352.0 (13,352.0)	16.5 (16.5)	55.0 (55.0)
LEISURE	2	40,901.1 (19,590.0)	+7.8 19,590.0	17,801.2 (19,590.0)	11,547.4 (10,779.5)	6,313.8 (6,313.8)	-4.9 (6.313.8)	4,019.6 (1,599.1)	125,186.8 (21,820.0)	165,860.8 (10,915.7)	11.9 (12.3)	19.2 (19.2)
FOOD MANUFACTURING	6	202,227.4 220,227.4	-8.1 148,420.2	129,937.3 102,937.3	44,434.0 44,434.0	48,360.9 48,360.9	-6.2 -6.2	15,049.9 (15,049.9)	17.4 (17.4)	85,544.5 (85,544.5)	24.6 (24.6)	18.5 185.523.1
FOOD RETAILING	5	79,297.1 81,465.1	-2.7 58,808.2	50,842.3 (50,842.3)	20,087.4 (20,087.4)	28,747.2 (28,747.2)	+54.4 (9.453.2)	5,997.5 (5,997.5)	68,531.8 (68,531.8)	330,595.5 (330,595.5)	15.8 (15.8)	6.2 61.917.1
NEWSPAPERS AND PUBLISHERS	3	41,806.2 (31,776.2)	+27.5 30,540.9	26,579.3 (26,579.3)	14,173.9 (14,173.9)	15,876.0 (15,876.0)	-20.1 (15.876.0)	3,816.7 (3,816.7)	19,997.7 (19,997.7)	117,610.0 (117,610.0)	29.8 (29.8)	36.0 36.000.0
PACKAGING AND PAPER	5	92,172.1 (68,659.0)	+3.8 68,615.1	58,464.8 (58,464.8)	11,849.4 (11,849.4)	42,655.4 (42,655.4)	+55.0 (4.265.4)	9,589.0 (8,458.2)	18.6 (18.6)	54,303.4 (54,303.4)	16.7 (16.7)	31.5 131.533.7
STORES	24	485,514.8 445,517.8	+14.1 414,547.2	313,179.7 (313,179.7)	173,465.0 (173,465.0)	207,902.0 (207,902.0)	+24.3 -24.3	73,521.6 (148,579.1)	117,610.0 (117,610.0)	1,822,226.8 (1,822,226.8)	22.8 (22.8)	43.4 386.588.1
CLOTHING AND FOOTWEAR	15	28,574.7 (24,193.5)	+19.2 22,301.2	16,558.2 (16,558.2)	8,882.3 (8,882.3)	11,511.9 (11,511.9)	+40.8 (2.791.3)	3,587.6 (3,587.6)	15,353.3 (15,353.3)	130,904.2 (130,904.2)	17.0 (17.0)	48.2 (48.2)
TEXTILES	12	198,006.9 (280,244.7)	+10.1 121,430.7	95,493.7 (95,493.7)	32,525.0 (32,525.0)	56,177.2 (56,177.2)	-25.6 (21.115.3)	24,185.9 (123,674.0)	105,487.0 (1,083,405.2)	1,083,405.2 (1,083,405.2)	11.2 (11.2)	43.4 359.831.1
TOBACCO	1	10,586.4 (10,586.4)	+9.4 9,044.0	8,757.0 (8,757.0)	4,769.0 (4,769.0)	4,082.0 (4,082.0)	-1.5 (4.082.0)	781.0 (655.5)	3,945.0 (3,945.0)	32,122.0 (30,936.1)	26.8 (26.8)	16.3 16.363.0
TOYS AND GAMES	2	14,994.0 (17,068.0)	-12.8 11,510.0	10,517.0 (10,517.0)	4,734.0 (4,734.0)	5,713.0 (5,713.0)	-5.1 (5.713.0)	1,482.0 (1,017.0)	6,735.0 (6,835.0)	72,468.0 (62,015.0)	14.6 (13.5)	30.9 36.646.0
TOTAL CONSUMER NON-DURABLES	68	1,279,717.7 (1,279,717.7)	+5.2 868,201.3	748,399.0 (748,399.0)	226,542.8 (226,542.8)	472,574.3 (472,574.3)	+15.0 (15.0)	104,202.7 (104,202.7)	599,417.7 (51,138.5)	5,786,772.7 (5,447,390.7)	16.7 (17.5)	14.4 1,494.807.1
CHEMICALS	2	5,704.8 (5,618.1)	-2.0 4,227.6	3,747.1 (3,747.1)	1,795.3 (1,795.3)	1,942.9 (1,942.9)	-2.5 (1.942.9)	801.0 (743.5)	2,236.0 (2,236.0)	25,505.4 (19,171.1)	16.7 (16.4)	11.8 11.814.1
OFFICE EQUIPMENT	2	1,855.9 (902.7)	+36.8 769.5	721.4 (721.4)	395.8 (395.8)	327.6 (327.6)	+42.7 (42.7)	246.8 (228.9)	368.0 (375.6)	3,456.3 (3,456.3)	22.4 (24.4)	93.3 (93.3)
SHIPPING	1	997.0 (1,157.0)	-94.9 (8,419.0)	2,668.0 (8,419.0)	4,965.0 (4,965.0)	4,965.0 (4,965.0)	-18.1 (1,037.7)	— (1,037.7)	1,531.0 (4,976.8)	70,134.0 (93,261.7)	12.0 (9.0)	12.0 (12.0)
MISC. INDUSTRIAL	51	495,253.2 147,718.7	+18.9 380,977.9	308,545.5 308,545.5	138,948.8 138,948.8	158,039.9 158,039.9	+36.1 (14,902.5)	48,868.6 (4,902.5)	203,888.9 (151,247.6)	2,276,266.6 (2,132,707.4)	16.7 (15.5)	27.8 747.853.0
TOTAL INDUSTRIALS	210	2,498,638.8 (2,498,638.8)	+7.0 1,897,918.1	1,609,201.5 (1,609,201.5)	624,286.5 (624,286.5)	916,164.0 (916,164.0)	-10.1 (24,536.6)	274,669.6 (24,536.6)	1,507,647.1 (979,904.4)	11,027,873.1 (10,284,872.7)	17.2 (17.5)	14.4 1,442,144.1
OIL	1	1,872.1 (1,980.1)	-2.5 1,394.8	1,151.1 (1,394.8)	227.8 (227.8)	978.9 (1,065.9)	-17.6 (1,065.9)	322.9 (302.9)	1,029.2 (1,029.2)	10,220.4 (8,779.7)	13.6 (11.7)	1.0 2,604.9
BANKS	1	47,286.0 (47,320.0)	+9.2 27,993.0	27,993.0 (27,993.0)	19,000.0 (19,000.0)	12,993.0 (12,993.0)	+3.2 (3.246.0)	3,400.0 (3,400.0)	24,571.0 (24,571.0)	152,763.0 (152,763.0)	18.2 (18.2)	30.9 99.020.0
DISCOUNT HOUSES, MERCHANT BANKERS	3	24,809.0 (21,497.0)	+10.8 (-)	(-) (-)	(-) (-)	16,797.0 (14,945.0)	+12.4 (14.945.0)	5,798.0 (4,949.0)	24,571.0 (24,571.0)	152,763.0 (152,763.0)	18.2 (18.2)	30.9 -414.763.1
HIRK PURCHASE	2	3,589.0 (1,615.0)	+45.7 1,930.0	1,408.0 (1,408.0)	654.0 (654.0)	777.0 (777.0)	+46.8 (22.0)	246.8 (360.0)	368.0 (375.6)	3,456.3 (3,456.3)	22.4 (24.4)	93.3 (93.3)
INSURANCE	1	— (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
INSURANCE BROKERS	1	16,235.0 (14,494.0)	+30.1 14,551.0	14,556.0 (14,556.0)	5,976.0 (5,976.0)	7,580.0 (6,048.0)	-27.0 (1,243.0)	1,401.0 (1,243.0)	20,388.9 (5,296.0)	24,903.0 (13,973.0)	60.0 (74.0)	60.0 1,600.0
INVESTMENT TRUSTS	49	116,694.1 (102,182.3)	+7.9 115,451.2	98,355.6 (98,355.6)	37,607.3 (34,708.1)	38,588.5 (38,588.5)	-15.3 (4,405.0)	54,219.5 (4,405.0)	4,237.3 (4,237.3)	1,942,512.2 (1,775,538.2)	9.9 (8.9)	27.3 27,234.1
PROPERTY	12	99,546.6 (102,824.3)	-9.5 96,068.6	57,153.2 (56,098.6)	19,903.4 (14,072.4)	7,445.9 (5,701.5)	-30.0 (10,437.9)	14,750.7 (10,437.9)	2,517.0 (3,971.4)	1,594,478.9 (1,594,478.9)	6.1 (6.1)	9.5 (6.814.1)
MISC. FINANCIAL	1	704.6 (898.9)	-18.0 547.9	544.9 (734.5)	297.9 (841.8)	247.1 (420.3)	-19.6 (420.3)	104.9 (307.3)	326.8 (326.8)	2,476.2 (2,476.2)	22.1 (22.1)	1.4 (1.4)
TOTAL FINANCIAL	70	308,440.3 297,481.9	+4.0 284,175.9	169,731.7 169,731.7	104,019.7 104,019.7	104,019.7 104,019.7	+16.8 (6,630.0)	80,262.9 (6,630.0)	35 (35)	1,749,376.5 (1,749,376.5)	6.9 (7.3)	36.8 36.8
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
BERNS	1	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-)				

THE WEEK IN THE MARKETS

Equities back below 500

The Financial Times Industrial Ordinary Index is back below 500 after breaking through the barrier some 31 weeks ago. Demand throughout the week has been very thin with mark-ings on Tuesday the lowest for six weeks. Clearly the institutions are playing a waiting game during the uncertainties over the possible election date. Gilt were equally unsettled in a week that saw further rises in the U.S. prime rates.

Reed Paper cuts

Reed International is still wounding the surgeon's knife as it sets about repairing its balance sheet. Negotiations are now under way to dispose of the group's 57 per cent stake in the troubled Toronto based Reed Paper.

So far this year Reed International has sold its joint venture interests in British Columbia and a 63 per cent stake in Nampak the South African packaging operation for a total of \$56m.

It takes no more than a quick glance at Reed's balance sheet to discover the reasons behind this rapid disposal programme.

LONDON ONLOOKER

At the end of March this year the group showed total net borrowings of \$384m compared with shareholders funds of £178m. Since then the disposal of the Nampak stake has released \$24m specifically to repay foreign currency borrowings. On top of this Reed has said that

it is to make early repayment of \$25m Sw Fr borrowings. A successful sale of the Canadian stake will further ease the strain.

Reed Paper, which itself had debts of around £90m at the end of last year, is in the British parent's books at around £50m but this was before the sale of the British Columbia joint venture interests.

Several major Canadian companies are showing an interest in the stake, including the country's largest forest products group MacMillan Bloedel but Reed stresses that these talks are only at the preliminary stage.

The effect of all these disposals will be to turn Reed from largely an international pulp paper and packaging company into a concern with mainly UK based interests while some analysts estimate that the next balance sheet could show net borrowings of perhaps around £240m compared with estimates shareholders funds of around £15m.

Rights revival

It has been a busy week for rights issues. There have been four cash calls for amounts totalling £35m, the highest weekly figure since the beginning of May when Rowntree Macintosh asked for £36m. This spurt of activity lifts the August month total to £58m, way ahead of the £38m for June and July combined.

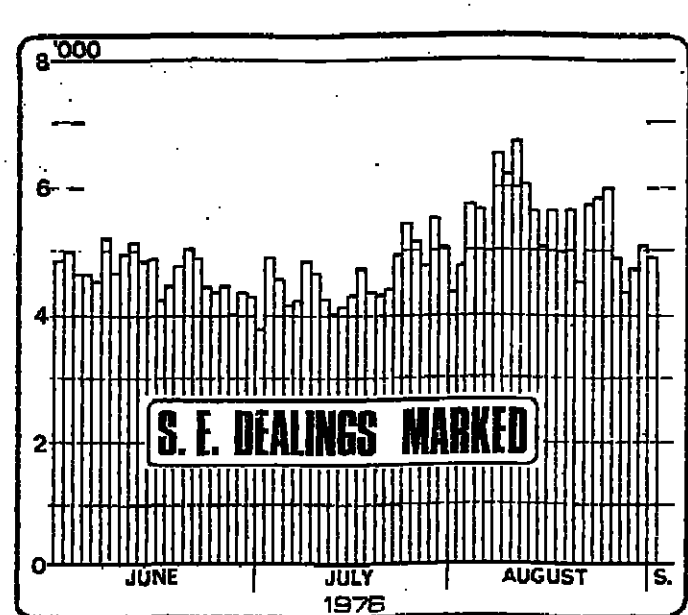
But the timing of these offers is coincidental and does not herald a major upsurge in the number of equity issues. BTR, raising £24.1m, has probably been planning a rights since the £25m acquisition of the U.S.

company, Worcester Controls, last June. It is hardly surprising that it held off until the holiday season was over, and the rise in the market since early in July has been good enough to prompt a number of rights issues. The weakness in recent days would have little bearing.

Two other issues from Initial Services (£7.6m) and Howden Group (£2.4m) appear to have been timed so that recent buoyant preliminary announcements have had time to work on the market price. In both cases the rights offer price is similar to the market price prior to preliminary profit announcements last month. As for the small Dorada issue the timing of that appears to have been dominated by the half year figures. So this week has been a flash in the pan.

Burmah down under

Burmah Oil has sold its remaining Australian hydrocarbons exploration and production interests to a local consortium for almost £11m. The consortium, headed by West Australian property man and yachting personality, Mr. Allan Sand, has agreed to pay £3m immediately, £8m in the next three months, a further £1m in May and the balance will be handed over in November, 1979. The consortium will get substantial shareholdings in three companies that control 46.6 per cent of the Cooper Basin oil and gas joint venture, which supplies natural gas to Sydney and Adelaide and has proven reserves of 3 trillion (million million) cubic feet of gas and about 314m barrels of oil and natural gas liquids. The Bur-



Laing reorganisation

The market clearly agrees with John Laing and Sun that the sale is regarded more as a tidying up operation than as a final part of the massive asset disposal programme the group embarked on in 1975-76. The funds released by the Cooper Basin sale will be invested elsewhere within the group.

Impact of a split on Laing's investment image. And the success of the reorganisation in highlighting the scale of its property side—now valued at 156p a share—has been taken as a spur to look more closely at the property interests of the other major contractors. Taylor Woodrow, George Wimpey and Richard Costain all have property businesses large enough to warrant a separate quotation and in looking at these shares Laing's trail blazing efforts have not been lost on the market. Whether any of these groups actually follows the Laing route remains to be seen. But Laing's move can do the sector nothing but good as dealers ride the goodwill created by the rediscovery of invisible property giants among the builders.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM AUGUST 3 % change
Electricals -7.1
Contracting, Construction -4.7
Office Equipment -5.1
Merchant Bank -4.1
Le Electronics, Radio TV -3.4
Mechanical Engineering -3.4
All-Share Index -0.6

THE WORST PERFORMERS
Newspapers, Publishing -2.9
Investment Trusts -3.3
Insurance Brokers -3.7
Household Goods -3.8
Insurance (Composite) -3.9
Breweries -4.2

U.K. INDICES

Average week to	Sept. 1	Aug. 25	Aug. 18
Govt. Secs.	70.39	70.62	70.99
Fixed Interest	72.21	72.50	72.84
Indust. Ord.	501.3	516.9	511.4
Gold Mines	179.7	178.1	195.6
Deals mtd.	4,768	5,420	5,407

FT ACTUARIES

Capital Gds.	241.05	246.53	242.33
Consumer (Durable)	216.38	224.13	220.19
Cons. (Non-Durable)	216.19	222.78	220.02
Ind. Group	228.28	234.50	231.41
500-Share	251.42	258.36	254.07
Financial Gp.	172.22	177.10	176.27
All-Share	231.03	237.41	234.28
Red. Debs.	57.80	57.81	57.49

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1978	1978
	Yday	Week	High	Low
Ind. Ord. Index	498.9	-15.4	523.2	433.4
Exchange 9% 1982	492	-1	510.1	491
British Petroleum	878	-30	926	720
Brown (J.)	456	-16	495	231
Central Pacific Minerals	425	-125	820	150
Church & Co.	170	-21	196	150
Conzinc Rhotinto	314	+28	314	148
FNPC Ltd. 1972/77	430	+5	432	410
Glenzo	607	-21	635	515
Guthrie	370	-17	400	211
Ilstock Johnson	181	-16	197	125
Mowat (Wm.)	26	+14	27	11
Pearl Assurance	242	-26	272	216
Racal Electronics	316	-20	344	196
Reed Intl.	158	+8	164	102
Scottish Agricultural	207	-13	225	190
Sun Alliance	550	-34	606	504
Tarmac	156	-14	174	124
Thorn Electrical	378	-18	400	308
Whessae	64	-8	97	64

Breaking down barriers

THE EUROPEAN Options Exchange has at last shown signs that it might not be a failure after all. On Monday this week, a record 3,364 contracts were recorded, still well short of the 7,000 that are needed before the breakeven is reached, but promising nonetheless. The average volume this week

was 2,000 contracts per day, more than double the average since the start in April. Leading London jobbers, Wedd Durlacher and Smith Brothers, revealed this week that they have applied to the London Stock Exchange Council for permission to join the EOE together as a market maker.

They would be the first British jobbers to take a seat on the EOE and the first British firm to become market makers (roughly the equivalent of jobbers in the ordinary share market) as opposed to public order members (equivalent to brokers). Their entry into the market would be greatly welcomed by the EOE which at present only has seven active market makers although about another 10 have bought seats. One British broker who deals in the London traded options market, but not on the EOE in Amsterdam, said last week that he still regarded the EOE as "a dismal failure." Even if the average of 2,000 contracts per day could be maintained, that is too far below breakeven after a long run in, he said. The volume had been boosted of late because the underlying market in Dutch securities has

soon get the all-clear from the French and Dutch authorities to deal in options based on French company shares.

It has still to be proved that a really effective options market can be created away from the country where the underlying securities are based. The EOE has to overcome the coolness of national governments towards seeing the kudos go to the Dutch Government. And if it succeeds, it may still have to compete with locally based option markets.

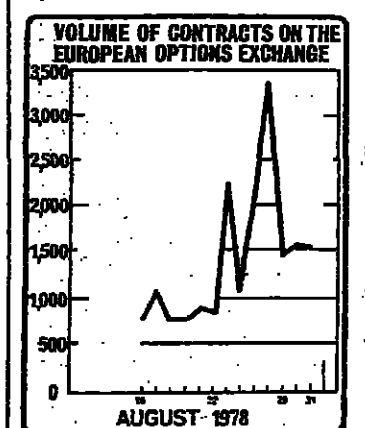
The EOE is certainly doing everything it can to get the market moving. Mr. Scholten said yesterday that he hoped "put" options could be introduced on some securities before the end of the year. A "put" option is a right to sell shares at a pre-determined price for a given period, whereas the existing "call" options are a right to buy shares at a set price.

The chances of the EOE were boosted yesterday with the news that the General Director of the Dutch Tax Office has decided that traded options listed on the EOE are to be considered as securities and the writing of covered call options will not take institutional investors outside the list of authorised investments. The EOE expects much greater institutional involvement as a result and more attractive option prices.

Government attitudes to options are crucial to the success of both the London and Amsterdam markets. Grievous Grant, which has one of the largest private client lists, reckons that business in the London traded options market would multiply three or more times if the personal tax position was resolved favourably. At present it is feared that traded options will be treated as wasting assets, giving rise to a high capital gains tax liability.

The fortunes of the London and Amsterdam markets still hang in the balance. But the stakes are quite different. In London the traded options market is merely an extension of the existing market and has involved minimal capital expenditure. The Dutch market cost several million pounds to set up and will leave a lot of burnt fingers if it fails.

On the other hand, if Amsterdam can succeed in breaking down the international barriers, the reward both in terms of monetary gain and prestige for the Netherlands as an international financial centre would be commensurately great.



Your guide to investment success

Many investors are getting more and more confused by the bewildering range of unit trusts offered by an ever-increasing number of management companies. Gartmore Fund Managers have just published the second, and more comprehensive, edition of their straightforward guide to the complete range of unit trusts and services which they offer. As part of a group which manages some £650 million of funds for pension funds, insurance companies, investment trusts and other corporate and private clients, they are well placed to offer investors the expertise that is so vital for successful investment.

Whether your need is for high income or capital growth, you should find our guide very helpful. Send this coupon now to learn more about the range of funds we manage, or ring Alan Whelan on 01-283 3531 during working hours.

GARTMORE Fund Managers Limited

A Guide to Unit Trusts and Services

Gartmore Fund Managers Ltd. Not applicable to Eire
25 St. Mary Axe London EC3A 8BP Tel: 01-283 3531
Please send a copy of your Guide to Unit Trusts

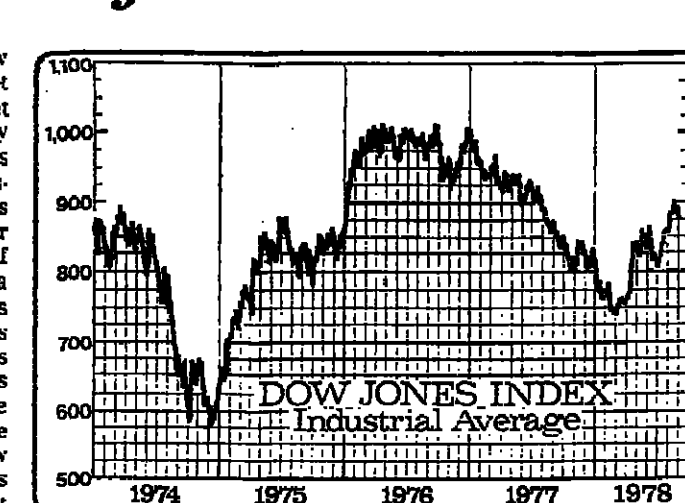
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Company _____
Address _____ FT/209/YG

£650,000,000 under Group Management

The luck of the draw

TRADITIONALLY as New York's hot and steamy August drew to a close, Wall Street galloped towards Labour Day weekend like a pack of harts to a cooling stream. The passing of Labour Day, which falls on Monday, promises cooler weather but also a renewal of investment activity and as a result the stock market is usually in a buoyant mood as this weekend approaches. This is the week when historians remind investors that in the three trading days before Labour Day weekend the Dow Jones Industrial Average has gained in every one of the past 17 years.

History however, has been stood on its head, this week and this month. August has been anything but a slack month and it will be surprising if average daily trading volume has not been in the region of 30 million shares. The rally which began last April has maintained its momentum during the month which has seen the Dow repeatedly beating the 900 barrier. Rising interest rates, which continued this week with an increase in banking prime rates to 9 1/2 per cent, have not really taken the heart out of the market but



casino gaming were in tremendous demand. The reason, it will be recalled, is that, with the gaming confined to the state of Nevada until the recent legalisation of gambling in Atlantic City, New Jersey, has spread the conviction that not only is there a vast investment potential in companies already established or planning to establish themselves in New Jersey but also that many other States are likely to succumb to the lure of higher tax revenues and more tourism by legalising gambling.

The people of Florida, where the decline of Miami Beach as a tourist haven is a source of local concern are to vote on legalised gambling on November 7 and this prospect is polishing the attraction of not only gambling stocks but also of one of the main carriers into Florida, Eastern Airlines.

While some stockbrokers see the extraordinary interest in gambling stocks as encouraging because it is an indication of the return of the individual investor to the market, there is concern elsewhere. Much of the buying is seen to be indiscriminate and lacking in any kind of appreciation of the relative prospects of the various stocks. Mr. Robert Linton, president and chief executive of Drexel Burnham Lambert sent out an internal memo to his salesmen this week stressing the need to provide customers of "a thorough understanding of the risks involved in buying these shares." But A.G. Becker, Friday

CLOSING PRICES

	Close	Change
Monday	884.88	-10.65
Tuesday	880.20	-4.68
Wednesday	880.72	+0.52
Thursday	874.82	-3.90
Friday	879.33	+2.51

UNITED STATES GROWTH FUND

In recent weeks share prices on Wall Street have regained the impetus seen earlier in the year, despite rising interest rates and inflationary expectations. We believe that the market is still reasonably valued, giving scope for further substantial gains over the long term.

Our reasoning is that, despite the increase seen this year, many shares are still selling at comparatively low levels in relation to companies' underlying assets and earnings. We therefore take the view that share prices are at a level where good performance can be expected in the long term.

Furthermore, we believe that Save & Prosper United States Growth Fund, with its portfolio carefully selected from the growing areas of American industry, is a particularly attractive way to invest in the US market.

United States Growth Fund

US Growth Fund was launched in 1964 and is now valued at over £37 million. By investing in the fund you can obtain a far wider spread of investment than you could readily obtain on your own behalf, as well as benefiting from Save & Prosper's long experience of the US market and currency management.

Past performance

Since the launch, the fund's offer price has increased by 128%. This compares with a rise of 33% in the Standard & Poors Composite Index (154% when adjusted for exchange rates and investment currency fluctuations). As can

be seen from these figures, changes in exchange rates and in the investment currency premium can affect the value of your investment as much as stock market fluctuations.

An investment in this fund should be regarded as a long-term one.

Remember the price of units and the income from them can go down as well as up.

About Save & Prosper

Save & Prosper Group was founded in 1934 and in addition to being Britain's largest unit trust group is a major force in the life assurance, pensions and annuities field. At 1st January 1978 the Group managed £875 million for some 700,000 investors.

How to invest

To make a lump-sum purchase, please complete and return the coupon below together with your cheque. You will be allocated units to the full value of your remittance at the offer price ruling on receipt of your application. The minimum initial investment is £250.

On 29th August 1978 the offer price of units was 85.3p giving an estimated gross yield of £1.34% p.a.

If you require any further information on the fund, we suggest you consult your professional adviser, or contact our Customer Services Department at the address given in the coupon below.

Advisers requiring further details should contact Save & Prosper Services on 01-831 7601.

Application for a lump-sum purchase of US GROWTH FUND UNITS

Save & Prosper Securities Limited, 4 Great St. Helens, London EC3P 3EP. Tel: 01-864 8999. Registered in England No. 789728. Registered office as above.

To purchase units please complete and return this form, either directly to your bank, stockbroker, solicitor, accountant or qualified insurance broker, together with your remittance. We will acknowledge receipt of your application and remittance and will normally despatch a certificate for the units within 14 days. Cheques should be made payable to "Save & Prosper Securities Limited". This offer is not available to residents of the Republic of Ireland. (Insert amount of remittance)

Please tick if you wish the United States Growth Fund units to be valued at "C" calculated at the offer price ruling on receipt of this application. (Minimum initial purchase £250, £60 for subsequent purchases.) A remittance is enclosed.

Mr/Ms/Miss
Full Name(s)
BLOCK CAPITALS PLEASE
Address
Address

I declare that I am over 18 and am not resident outside the UK or other Scheduled Territories and that I am not requiring the above units as the nominee of any person resident outside these Territories. (If you are unable to make this declaration a statement should be deleted and the form lodged through your UK bank, stockbroker or solicitor.)

Signature _____ Date _____

Enclosing United States Growth Fund unitholders please tick here. ☐ For Office Use Only 435/FT/1

If you would like distributions of income to be reinvested in further units please tick here. ☐

If you would like details of the Share Exchange Plan please tick here. ☐

SAVE & PROSPER GROUP

FINANCE AND THE FAMILY

A joint bank account

BY OUR LEGAL STAFF

If my wife and I open a joint bank account, and one of us were to die, would the other be able to continue to draw on the account without question? Would the survivor have to take a will to probate or receive letters of administration?

The survivor of two joint holders of a bank account is fully entitled to draw on the account. It is not necessary to prove a will or have letters of administration of the estate of the first to die. If the mandate is joint and not several (i.e. proof of death may be required, but a certified copy of the death certificate will suffice for that).

A good root of title

I have some old deeds from 1797 on relating to my property. I understand that deeds relating to the past 15 years are all that are legally required in case of sale. Could I therefore retain these old documents?

Certificate for value

My daughter and her husband jointly owned the freehold of the house in which they lived and in June 1976, he transferred to her his interest and ownership by a Deed of Gift, duly witnessed and bearing a 30p stamp. She has now been advised that if she decided to

sell the house, since the Deed did not contain what is called a Certificate of Value the Deed should carry a stamp of £388 on the assumption that the market value of the property was £19,000 if it had been sold in June 1976. What, please, are your views?

If the parties to the Deed of Gift are still available to re-execute the Deed, the Certificate for Value may be added even though this is done after the Deed was executed, and the addition signed by the parties to the Deed. The Certificate would be at £20,000 and duty would be payable at 1 per cent on the whole value of the property.

Income of children

My son has invested, by designated accounts, £300 for each of his four children in accumulating unit trusts. (a) Can he reclaim on their behalf the tax credit sums involved? (b) If a grandparent invests £2,000 for a grandchild, to produce £200 pa gross, would income-tax be payable on such a sum and would the parents' child allowance be lost (or reduced)?

(a) No: Income arising while they are minors (and unmarried) is taxable as part of your son's income, under section 437 of the Income and Corporation Taxes Act, 1970, as amended.

Tax and an annuity

I am receiving an annuity from a self employer contract, under provisions of Finance Act 1956, where premiums paid were tax free and annuity payments were taxed as earned income. The Inspector of Taxes has added this annuity payment to dividend and Building Society interest for surcharge as unearned income at 15 per cent. Do you not agree that this is incorrect? Provided that the whole of the premiums were tax-free, then you are right. Section 226(1) of the Taxes Act says that "any annuity payable... shall be treated as earned income of the annuitant to the extent to which it is payable in return for any amount on which relief is so given."

If you have not already done so, you should at once give (i) notice of appeal against the assessment (on the grounds that it offends section 226(1)) and (ii) notice of application to postpone payment of the tax overcharged. The statutory time limit for both notices is only 30 days from the date on the assessment notice, but the Inspector is unlikely to object to late notices, provided that you act promptly upon receiving this advice.

Maintenance payments

Our reply of last Saturday under Separation and return to UK, in which we said that the first £1,500 of maintenance payments would escape the investment income surcharge, was written some time ago. Since then by Section 31 of the Finance Act, 1978, maintenance payments have been made wholly exempt from the surcharge for 1978-79 onwards.

bring its net income for the six months to June up to £24.4m (£14.6m) against £18.5m in the 1977 first half. The interim dividend is raised to 15 cents (8.97p) from 12 cents.

And the prospects are good for the second half. The group anticipates that net income will be much the same as in the first half.

Certainly the position looks healthy—more so than at MIM where net profits, before an extraordinary item, were £399.2m (£23.3m) for the year to June compared with £343.6m the year before. Although the group has a high level of capital expenditure, the main cause of the fall was a lower level of prices and sales for copper and zinc. The final dividend of 6 cents (3.8p) maintains the total at 8 cents.

There was a similar story at CRA, which also complained about the weakness of the U.S. dollar relative to the Australian dollar, as net profits for the half year to June slipped to \$53.7m (£21.2m), despite a once-and-for-all gain of \$13.4m on the re-arrangement of salt and aluminium interests, from \$44.6m in the same period of 1977.

The interim dividend was cut to 3.5 cents (2.08p) from 4.5 cents last year. But shareholders may feel some relief from the group comment that local business conditions have improved and a better balance of metal supply and demand has been achieved on the international markets.

You can't ignore these figures

£10,000 invested in October 1971 by Mr A in the FT ordinary share index. Mr B who then followed the advice of the managers of our investment service. At 11th August 1978 the valuations of each investment were Mr A £12,580 Mr B £27,170

Mr B's investment represents an annual compound rate of return of 15.9% of which he can draw 5% pa tax free for 20 years. Have you or your present managers achieved this result? For details of our investment service, write in strict confidence and without obligation to:

NBMG FINANCIAL MANAGEMENT 15 Crieft Road, London SW18.

Not everyone need drive

THE REGULAR increases in motor insurance premiums hit hard at those already on the full rate of discount. They are even worse for anyone who had made one or two claims during the year, in view of the reduction in no-claim discount which will result. There is, therefore, pressure to try to reduce the premium.

Already, most motorists have a worthwhile voluntary excess in their policies, whereby they pay the first, say, £25 of any claim, thereby earning a worthwhile discount off the premium. In some cases, excesses of up to £100, or so, are accepted on a voluntary basis.

One can, however, voluntarily restrict the driving of the car so as to earn a further discount. Restricting the driving to oneself is likely to be most profitable. Some insurers give higher discounts if driving is restricted to a named woman, rather than a named man. They avoid trouble with the Sex Discrimination Act by pointing out that their statistics show that the claims experience of women is better than that of men. Nobody is necessarily suggesting that women are better drivers than men: it is simply that, on average, women, probably are on the roads less than men (and thus there is less chance of an accident). Also, it seems as though, on average, women's accidents are marginally less expensive than those of men.

If the driving is restricted to husband and wife, most insurers

allow a rather less generous discount than if it is confined to one person. This discount, however, can be well worth having, provided there will be no question of one wanting to lend the car to a friend, colleague, or one of the children (if they are old enough to drive). Incidentally, if a son or daughter will be starting to drive, the insurers should be advised at the renewal preceding this event. No extra premium is likely to be charged, since there will be a compulsory excess (in addition to any voluntary excess) in the event of an accident while he or she is at the wheel. If, however, there are one or two accidents during the year, tougher terms may be imposed at the following renewal.

Although a useful discount can be earned by restricting the driving of the car, many insurance brokers are against the idea. This is unlikely to be solely because any reduction in premium reduces their commission earnings. They feel there is always the possibility that, in the heat of the moment, the driving restriction may be forgotten, with serious consequences. Sometimes, if another motorist wants to borrow the car, he or she will point out that there is cover under his or her own motor policy. Here, if the driving is restricted to named drivers, but there would be no cover if somebody who had been disqualified from driving should borrow the car.

Similarly, while there is cover for a learner driver, his or her provisional licence, considerable care needs to be taken if a child below the age of 17 wants to get behind the wheel of the car—on public property. Firstly, there will be no cover under the policy in such circumstances. Secondly, it is important to make sure that this under-age driving is compulsory by law. Section 196(1) of the Road Traffic Act 1972 defines a road as "any highway and any other road which the public has access, and includes bridges over a road passes." The important point is that compulsory insurance is required not only for public thoroughfares to which the public at large has a definite right.

There is no easy way of determining in advance whether insurance is compulsory. The best advice is not to take chances anywhere where the public has access, even though the area may not be "public".

Finally, if a learner driver goes on the road, complete with provisional licence, it is important to make sure that he or she is accompanied by a supervisor at all times—either for a simple operation, taking the car out of the garage and parking it on the road, a policy may very well exclude claims for accidents involving unaccompanied learners.

There is no such thing as a "standard" motor policy, each insurer takes its own line. If in doubt on any point, consult the insurers in advance. It is much better to worry than to be unnecessarily than to risk the car being on the road without adequate insurance.

effects on the materials with which it comes into contact. You might think that fire was the best way of destroying the evidence of crime, but not so to the trained eye, it appears. Burnt shambles can—with stamina and patience—be made to read like an open book. I decided, after reading this book that arson was a dangerous business in every sense of the word.

It's Mr. Carter's contention that insurance companies in America do not put enough effort into catching out the arsonist, and that in fact they may exacerbate the problem by over-insuring property and contents. He reports the findings of a grand jury in St. Louis, that the insurance companies rely instead on a general rate increase to cover the loss—estimated at \$634bn in 1975. His book, read selectively, will be of interest to those who are most closely concerned with this problem—the insurance specialist, the policeman—and presumably, the arsonist.

countryside (no injuries). And where the book is really fascinating is in its discussion of the evidence which the fire investigator sifts in the hope of establishing whether or not an arsonist has been at work.

That evidence might vary from the obvious and straightforward—evidence that furniture and electrical equipment has been moved out of a house ahead of a fire—to the highly technical: evidence provided by the pattern of burning and its

miles with both rear tyres flat, and only came to a stop when the car ran out of gas and the white hot rear axle ignited the gases left in the tank and sent a stream of burning vapour 70 feet into the surrounding

Now you might think that a most unlikely tale, straight from the celluloid world of American soap opera. In fact it is told in a serious work with pretensions to scholarship and a price to match: *Arson Investigation*, by Robert E. Carter.

Mr. Carter's book, part of the Fire Science Series put out by the California-based Glencoe Press, is in some ways excessively worthy. It goes, for instance, into "today's arson problem," the chemistry of fire, the scientific aids available to the investigator, and above all, in wearisome detail, into the subject of interrogation of witnesses and suspects. "The zooming and appearance of the interrogator are important considerations. Dress should be neat but conservative, not loud and flashy. Clothing should command respect but should not offend the subject or cause resentment because of its evidence of affluence."

Every now and again, however, Mr. Carter enlivens this somewhat turgid dissertation with examples of the more lurid extremes of human behaviour. There was, for example, the 12-year-old boy who set his bedroom afire, and rigged the evidence to suggest that his father was the guilty party; he thought that his mother might be able to get a divorce on the strength of that. There were the four jolly gentlemen who went for a ride in an old and battered banger, went four

Tax for a non-resident

In a reply under Tax for non-Residents (July 12) you wrote "Your overseas dividends... will suffer tax... (unless they are mandated to a bank outside the UK)." Does this mean that if I instruct the company to forward my dividends to my bank in New Zealand, UK tax will not be deducted? (I am non resident in UK and resident in NZ and hold a NZ passport.)

You have not given us enough precise details of your overseas shareholdings for us to give you a clearcut answer. Briefly, if the shares are on a register maintained outside the UK (as in the case of the reader whose

letter was published—in edited form—on July 22), then mandating the dividends to an overseas bank outside the UK should avoid any question of deduction of UK tax. Mandating them to an overseas branch of a UK bank should similarly avoid deduction of UK tax, but you should check with the bank you have in mind, to see what formalities (if any) they require.

On the other hand, if the shares are on a register maintained in the UK (or if the dividends are distributed through paying agents in the UK), then mandating the dividends to a bank outside the UK will probably make no difference to the question of deduction of UK

tax. In this situation (assuming that the shares are registered in your own name, not in nominee or marking names) you should apply for forms A1 and A3 to the Inland Revenue Foreign Dividends Office, Lytton Road, Thames Ditton, Surrey, Great Britain KT7 0DP. Exemption is unlikely to be authorised whilst you are actually in the UK.

As far as any shareholdings in UK companies are concerned, no doubt you are aware of the provision of the NZ-UK double taxation agreement of June 13, 1966, (as extended by section 95 (1) of the Finance Act 1972) and you have probably read about the negotiations for an amending protocol recently.

Fertile ground for rumours

WHEN BUSINESS conditions are slack and there is time to gossip, conditions are ideal for spreading rumours. So it was yesterday morning on the London gold share market. In South Africa and the U.S., dealers were more interested in the prospect of a long weekend than in trading shares.

The rumour circulating with the most conviction was that, this weekend, the Carter Administration will announce a package to protect the dollar, not just a few stop-gap measures but something sweeping. It was enough to make investors trend warily.

The logic of the reaction was impeccable. The bullion price has been linked to the movement of the dollar—one up and the other down—and gold share prices have been linked to the movements of bullion. The appreciation of the dollar by a few cents could take seven or eight dollars off the bullion price.

In the event, the bullion price ended the week firmly at

\$208.875 an ounce and the Gold Mines Index yesterday was 180.2 for a week's net gain of 4.3. At these levels, however, the view is gaining ground on the London gold share market, that the potential for a downward movement is much greater than for a further strong rise.

But this is not to say that the bottom is about to fall out of

MINING
PAUL CHEESERIGHT

the bullion market. Industrial demand remains strong and there has been no marked growth in western world mine production. Earlier this week, Mr. Dennis Etheredge, the chairman of the Gold Division at Anglo American Corporation noted, "There are a large number of people and institutions who are interested in maintaining a high price for gold."

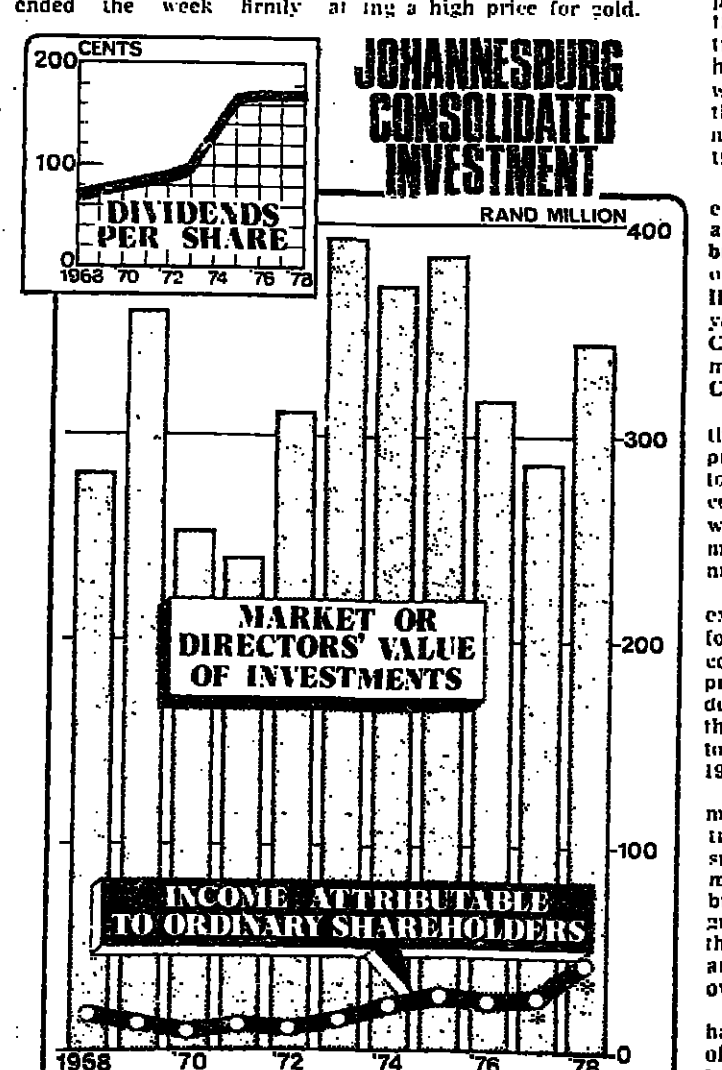
The most notable feature of the Johnnies figures was the provision of R44.4m (£38.5m), totally to write off its Namibian copper mine, Orjase, which was placed on a care and maintenance basis at the beginning of the year.

The net profit before this extraordinary item was R44.3m for the year to the end of June, compared with R27.3m in the previous year. The final dividend of 130 cents (77.7p) brings the total payment for the year to 170 cents, the same as in 1976-77.

In fact, the group's investment income was static and the trading profits of its operating subsidiaries were only slightly more than in 1976-77 at R8.5m, but the net total profits were given buoyancy by a surplus on the realisation of investments and the reversal of amounts over-provided in previous years. Union Corporation, however, has had no problems with write-offs. The firmness of the bullion price and the rise of the platinum price have helped to

bring its net income for the six months to June up to £24.4m (£14.6m) against £18.5m in the 1977 first half. The interim dividend is raised to 15 cents (8.97p) from 12 cents.

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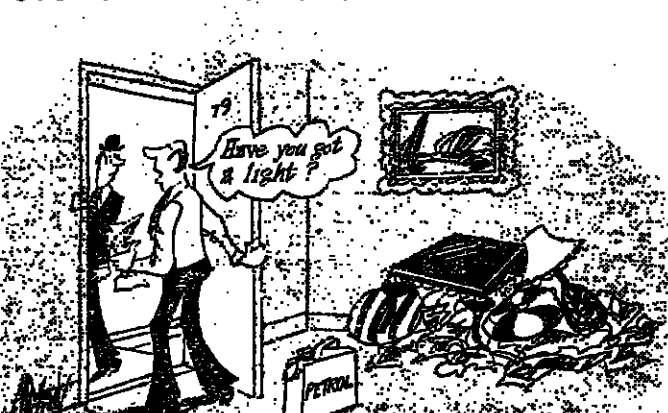
The ins and outs of arson investigation in the United States

ONE CITY in America was recently stricken by a series of incendiary fires. Eventually the terrified community was reassured by the news that a young man had been arrested and charged as an arsonist; and later a conviction was obtained. The young man in question was the son of an officer of the local fire department, a most estimable man, who had been passed over for promotion. His son had set out to prove the inefficiency of the officer by whom he had been supplanted.

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CRIME
ADRIENNE GLEESON

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For further information please contact Michael Lawrence at the address below.

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45 Cornhill, London EC3V 3PB.
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YOUR SAVINGS AND INVESTMENTS

Wooded for your money

LAST WEEK'S surprise announcement of an improvement in the terms on various National Savings investments did not please the building societies at all; but as a glance at the table suggests, it's difficult to see why they were so put out. The 14th issue of National Savings Certificates apart—and the terms there haven't been changed at all—the opportunities presented by National Savings are still marginally less attractive than those offered by the building societies, at any rate so far as basic-rate taxpayers are concerned. Of course it's true that with National Savings evidently set on retaining their share of the market, the building societies cannot afford any reduction in their deposit rates—but then, with the inflow of funds somewhat limited, their liquidity run right down, and

INVESTMENT

ADRIENNE GLEESON

the waiting time for some borrowers stretching out as far as Christmas, they weren't in much of a position to attempt that anyway. At first sight the increase in the limit on holdings of index-linked retirement certificates to £700 (from the beginning of October) isn't likely to send the

in mind, first, that the return on the so-called "granny bonds" comes free of any tax; and, second, that the signs point to an upturn in the rate of inflation in the autumn. If that materialises, then the granny bonds will be a good investment. For those who have substantial sums of money to invest, the significant feature to this table is the difference between the rates of return available through the money markets—as represented by the clearing banks' "branch deposits"—and those now offered by such homes for humble savers as the building societies. Of course the money market rates are fixed for the term of the investment, while those available through the building societies may fall—but at the moment such a fall looks sufficiently unlikely to suggest that the High Street investment is by far the better bet.

Grannies of the land off to raid their other savings, after all, as the Government keeps on assuring us, the rate of inflation is now well down into single figures, and it's possible to get a higher nominal return elsewhere—in a building society account, for instance. However, it's worth bearing



Alan Lewin

A star rising in the East

EVERYONE LOVES a roaring bull market. But people often forget that the public generally

There is surprising support in the City, however, for the view that the star now rising in the East as a long life yet before it.

It is surprising because the current boom in the Hong Kong stock market seems some nine too pleasant memories of a similar and even more striking bout of euphoria back in 1972-73. At that time the local Hang Seng index climbed to staggering heights (over 1,700 points) and then plunged almost 80 per cent within a few weeks.

This year Hong Kong has been the world's best performing stock market, with the Hang Seng rising some 65 per cent since March and touching a five-year high of almost 700 points last week.

This time the pace of growth has been less spectacular, but by European standards at least, by no means pedestrian. Could it be followed by the same sort of crash? Not so, say the London experts.

Thursday's announcement of a joint property venture in the New Territories, between companies from mainland China and Hong Kong interests, high-

HONG KONG

TIMOTHY DICKSON

lights a development fundamental to the future of this part of the Far East.

Britain's 99-year lease on the New Territories (part of Hong Kong) is due to run out in 1997. Recent capitalistic moves by the Chinese, however, suggest that after this date the policy of five and let live will continue.

Hong Kong, in fact, is the perfect medium through which China, historically suspicious of foreigners, can trade with them—on the doorstep.

What further differences distinguish the present from the past bull phase?

Stockbrokers Hoare Govett stress the liquidity argument. In 1972-73 the warning signals should have been spotted well before the collapse.

They also point out that this is a market much more sophisticated and controlled than it was five years ago.

Hoare Govett feels that much Far East trusts which have been designed for Hong Kong has-Kong exposure.

now been placed, and it is advising investors to switch away from the more risky second line shares to main-line stocks like Jardine, Matheson, Swire Pacific and Hutchinsons.

Another stockbroker with a special interest in Hong Kong, W. I. Carr, agrees that the market is much more firmly based this time, citing the high level of activity and the large volume of two-way trading. Carr is also recommending the market leaders.

Harvey Black, the manager of M and G's Far Eastern Fund (which is 50 per cent invested in Hong Kong) says half of the £200,000 per week coming into this fund is placed there.

His portfolio policy, however, is to look for smaller, second-line Chinese-owned companies, which he believes will benefit from the developing Chinese connection.

The Hong Kong market is historically one of the most volatile in the world. The small investor would, therefore, be ill-advised to put money into an individual stock, unless he (or she) could afford to lose it.

However, there are plenty of Far East trusts which have been designed for Hong Kong has-Kong exposure.

RETURNS AVAILABLE				
Institution	Min./max. deposit	Term	Tax position on interest	Return % grossed-up to basic-rate taxpayer
National Savings				
National Savings Certificates*	£5-£3,000	4 years	Tax free	11.5
14th issue	£10-£700	5 years	Tax free	Varies with rate of inflation
British Savings Bonds	£5-£10,000	5 years	Gross	8.5*
National Savings Bank Ordinary account	25p-£10,000	£50 available on demand 1 month	First £70 tax free	5.0
Investment account	£1-£50,000		Gross	9.5†
Building societies††				
Deposit shares	25p	7 days	Tax paid	9.6
Ordinary shares	25p	On demand	Tax paid	10.0
Term shares	£1,000-	3 years	Tax paid	11.5
Clearing banks				
Deposit accounts	£1-	7 days	Gross	7.0
Bank branch deposits††	£10,000-£25,000	7 days 3 months 1 year	Gross	8.44 8.875 9.25
FBI	£1,000-£25,000	3-10 years	Gross	10.75-12.25
Local authority deposits††	£500-	1-5 years	Gross	8.75-11.5
Gilt-edged stock††				
Exchequer 13½ 1980	—	—	Net	12.55
Exchequer 12½ 1992	—	—	Net	12.48
Treasury 15½ 1998	—	—	Net	13.09

* Repayable at demand, but £4 per £100 tax-free bonus at maturity. † From the beginning of October. †† Rates vary: check on application.

Gilt-edged management by a discount house

THE FURROW already ploughed by the discount houses King and Shaxson and Clive, is now to be followed by one of their competitors, Allen Harvey and Ross. Recognising, like the former companies, that there is a gap in the market for the management of private fixed interest portfolios, they are setting out to fill it with the introduction of two new services.

One of these is mainland-based, and is available only to the investor with £10,000 and

more, who may choose to go for either income or capital appreciation. As interest rates stand at the moment, Allen Harvey and Ross reckon that this one will appeal particularly to expatriates, but they also have a mind to the needs of foreign institutional buyers: they reckon that the combination of existing high rates of interest and a prospectively stable currency make gilts a winning combination.

The charges are as follows: 1½ per cent initially, and 1 per cent per annum thereafter, on the mainland portfolio management service; and 1½ per cent initially, and 1 per cent per annum thereafter, on the Jersey-based alternative.

The second service is available to offshore residents, and is run out of the Channel Islands. Here the minimum investment required is £1,000, and income

Carrying commuters

THOSE OF you who habitually share a car, they don't permit you to make a profit out of the business. What's more, if you do go in for making money—or adapt your car to carry more than seven passengers—or abandon your job to take up car sharing as a career—you'll find yourself falling foul of your insurers. In the interests of a more efficient use of motor vehicles, and a means of supplementing public transport, the insurance companies have agreed that private motorists' cover shall remain in force, even though there are passengers being carried for hire—but only if the carrier does not make a profit.

For while the provisions of the Transport Act 1978, which came into force last week, permit you to recover your operating as well as your petrol costs from those with whom you

A bonus builder

AS THE table on the left indicates, if you want a really good return on a safe investment, you have to be prepared to lock your money away for some time. The best you could hope for (in terms of flexibility and return combined), was provided by National Savings Certificates, from which money can be withdrawn at short notice, albeit at a considerable sacrifice if the move is made within the first two years of the investment. Well, for all that the building societies have been complaining this week about one of them has just come up with a package which knocks National Savings Certificates into a cocked hat.

Sussex Mutual's Bonusbuilder owes something, in its conception, to National Savings Certificates, in that the bonuses added over the four years of its life rise progressively as it approaches maturity. The bonuses are added to the BSA's minimum recommended share rate, at present 6.7 per cent. If that rate were to remain in force throughout the period, then the return on the Bonusbuilder would amount to

10.05 per cent tax paid—equivalent to 15 per cent gross to a basic-rate taxpayer.

You can pull your money out of the scheme at any time, (up to £250 in cash; otherwise by cheque), and the only snag—insofar as it is a snag—is that you can't add to your original investment.

Private portfolios

Apologies are due to Antony Gibbs Financial Services. They assure me that, far from spurning the portfolio of less than £50,000, they will be only too happy to take it on; and that, in fact, they place no minimum at all on the size of portfolio they will look after. They do say, though, that the scale of their fees is such that it probably wouldn't be sensible for a man with much less than £20,000 to ask for their service—unless he enjoyed a very high income, and could set a large slice of it apart to boost his capital.

has owed much to the considerable support Chiefain has received from stockbrokers and investment advisers.

The Trustee of Chiefain Income & Growth Trust is Midland Bank Trust Company. The main duties of the Trustee are to hold the title to the Trust's investments, and to check that all purchases made by the Trust are in accordance with the Trust Deed; to ensure that income is distributed to the unitholders properly; and to approve advertising and literature.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price. You will normally receive a cheque within seven working days of receipt of your renounced certificate.

The 1978 Finance Act allows that unit trusts will pay tax on capital gains at the privileged rate of only 10%.

When you sell units you will receive a tax credit of 10% against Capital Gains tax. Therefore on unit trusts you should have no tax to pay on profits up to £3,000 on sales in any one year, and your maximum liability is limited to 20% of your gain. On sales before 5th April, 1979 the tax credit is even higher.

CLOSING DATE

Until 22nd September, units will be available at a fixed price of 25p each. Your application will not be acknowledged, but you will receive a certificate by 3rd November 1978.

Fill in the coupon, or talk to your financial adviser without delay.

GENERAL INFORMATION

After 22nd September units will be available at the daily quoted price and yield published in most newspapers.

There is an initial management charge of 5% included in the price of units. There is also an annual charge of 36% (plus VAT) which has been allowed for in the quoted yield.

The Managers will pay the standard rates of commission to recognised professional advisers, who are invited to ring 04-283 3933 for further details of Income & Growth and other Chiefain trusts.

Income is paid net of income tax, but this can be reclaimed by non-taxpayers.

Distributions and a report on the fund are made half-yearly on 28th February and 31st August. Units bought now qualify for the distribution on 28th February 1979. This offer is not applicable to Eire.

The Managers of the Trust are Chiefain Trust Managers Ltd, Chiefain House, 11 New Street, London EC2M 4TP. Telephone 01-283 2632.

The Directors of Chiefain Trust Managers Ltd, are P. L. Potts, M.A. (Chairman), R. J. D. Eats, M.A., M.B.A.; J. D. Gillett, B.Sc.; L. H. A. Hazell, F.C.I.S.; A. L. K. Tod.



CHIEFTAIN
TRUST MANAGERS LIMITED

A NEW UNIT TRUST

CHIEFTAIN

INCOME & GROWTH TRUST

DESIGNED TO SECURE A GOOD AND GROWING INCOME, AND SOUND CAPITAL GROWTH

FIRST OFFER CLOSING ON 22ND SEPTEMBER, 1978

The aims of Chiefain Income & Growth Trust are largely implicit in its name: to bring investors both good and growing income and sound capital growth. Initially, the gross annual yield is estimated to be 7.5%.

However, perhaps the most important aspect of the trust is that the income derived from an investment should grow year by year. In addition, the value of the units should also increase in the long term.

This new Chiefain trust would seem therefore to be particularly suitable for those requiring a reasonable income now, but a larger income in the future; those approaching retirement for example.

Fixed interest investments, like building societies, may give you a little more income now, but inflation will rapidly reduce the real value of your income and of your capital unless these have an opportunity to grow.

That Chiefain is capable of sound management of a unit trust in which income is an aim is simply demonstrated by the record of Chiefain High Income Trust, the best performing trust of its kind in the UK since its launch two years ago with a rise more than double that of the FT Ordinary Share Index.

There is, moreover, another strong reason for viewing the new Income & Growth Trust as an attractive and appropriately timed investment now.

DIVIDEND RESTRAINTS EASING SO INCOME PROSPECTS GROWING

We refer to an important concession contained in the Dividend Act recently passed by Parliament.

Under the new Act, successful companies whose profits have been growing fast will have the opportunity to increase their dividends by more than the 10% per year previously allowed. This can only benefit the income and growth potential of the sort of shares in which Chiefain will be investing.

(There is, of course, no dividend control whatever on unit trusts.)

WHY A UNIT TRUST?

The problem associated with stocks and shares for the individual investor is, of course, that he rarely has enough capital to spread his risk, and sufficient information to choose with confidence. This is particularly true for those seeking a good income.

But the beauty of a unit trust is that through it you invest in a wide portfolio of stocks and shares, which is managed for you by full-time professionals. Nevertheless it must be stressed that both the income derived from units as well as the value of the units themselves can go down as well as up. Although you can sell your units at any time, the Trust should not be regarded as a short term speculative investment.

Your financial adviser will be able to answer any questions you may have about the merits of unit trust investment.

PORTFOLIO BALANCE

The trust will invest in some forty or fifty different stocks and shares in order to minimise risk.

A substantial proportion of the trust will be invested in a selection of higher yielding companies. Within this category the trust managers will take particular interest in those companies which fulfil the following criteria.

They will be backed by good assets. They will have earnings which appear likely to increase over the years. And yet they will be companies which, for the time being, are slightly out of favour because of management difficulties, say, or because sentiment has turned against the sector.

A careful selection of companies of this kind can result in handsome profits when their shares recover.

As well as these high yielding shares, the trust will invest in some moderate yielding larger companies with strong earnings, some smaller companies with attractive prospects and some commodity shares.

The aim will be to strike a judicious balance between the very high yielding and the moderate yielding shares, in order that the trust enjoys a blend of good yield and stable growth.

Whilst the portfolio may from time to time contain a small holding of overseas shares when the managers consider it appropriate, the bulk of the investment will be in the UK.

SHARE EXCHANGE SCHEME

If you wish to realise a part of your portfolio and invest in Chiefain Income & Growth Trust, the Managers can arrange to sell your shares for you, and will absorb all the usual costs of the transaction. This can give you a worthwhile saving. The minimum purchase through the Share Exchange Plan is £500. Tick the box in the coupon for full details.

YOUR REASSURANCE

Chiefain Trust Managers Ltd. was established in September 1976. Its four trusts, dealing in overseas as well as UK markets, have already attracted funds worth £10 million. This exceptional rate of growth

APPLICATION FORM

Fill in the coupon and send it now to: Chiefain Trust Managers Limited, Chiefain House, 11 New Street, London EC2M 4TP.

I would like to buy Chiefain Income & Growth Units, to the value of £... at 25p each.

(Minimum initial holding £250)

I enclose a remittance, payable to Chiefain Trust Managers Limited.

Tick box: ☐ If you want maximum growth by automatic re-investment of net income.

☐ If you want to know how to buy Chiefain Income & Growth Units on a regular monthly basis.

☐ If you would like details of our Share Exchange Plan.

I/We declare that I am/we are over 18 and are resident outside the UK, or in a Scheduled Territory, and that I am/we are not a genuine UK tax resident, or an individual who is not a UK tax resident. I/We declare that I am/we are not a UK tax resident, or an individual who is not a UK tax resident. I/We declare that I am/we are not a UK tax resident, or an individual who is not a UK tax resident.

AN OFFER FROM M&G

RECOVERY FUND

Widely acclaimed by financial journalists and investment advisers, M&G's Recovery Fund, designed to produce capital growth, opened 1977 as Britain's best performing unit trust. It has a policy of buying the shares of companies that have fallen upon hard times. Many of these companies recover, and through a process of careful selection M&G has been able to bring high rewards over the years to Recovery Fund investors. An investment of £1,000 at the time of the Fund's launch in May 1969 had, at the offer price of 97p, on 30th August 1978, grown to £7,750 including reinvested income. During this period the FT Industrial Ordinary Index, which does not include reinvested income, has gone up by 21.7%. The estimated current gross yield for income units is 4.06%.

Unit Trusts are a long-term investment and not suitable for money that you may need at short notice.

The price of units and the income from them may go down as well as up.

Prices and yields appear in the FT daily. An initial charge of 3.5% is included in the price, an annual charge of 1% plus VAT is deducted from the Fund's gross income. Distributions for income units are made on 20th February and 20th August net of basic rate tax and are reinvested for Accumulation units to increase the value of the units. The next distribution date for new investors will be 20th February 1979. You can buy or sell units on any business day. Contracts for purchases or sales will be due for settlement 2 or 3 weeks later. 11% commission is payable to accredited agents. Trustee: Barclays Bank Trust Company Limited. The Fund is a wider-range security and is authorised by the Secretary of State for Trade.

M&G is a member of the Unit Trust Association.

TWO WAYS TO INVEST

As an alternative, or in addition to investing a capital sum, you can start a Regular Investment Plan through a life assurance policy with benefits linked to the M&G Recovery Fund as little as £12 a month. 81% to 94% (depending on your starting age) is invested, except in the first two years when an additional 20 per cent is retained to meet setting-up expenses.

On a £20 Plan, tax relief at present rates can bring down your net monthly cost to only £16.70, in most cases, appreciably less than the monthly purchase of units on your behalf by M&G Trust (Assurance) Ltd. Regular investment of this type means that the inevitable fluctuations in the price of units gives you a positive arithmetical advantage through Pound Cost Averaging, because your premium is used to buy more units when the price is low and fewer when it is high. You also get life cover throughout the period of at least 180 times your monthly payment. If your age at entry is 54 or under, an element of life cover is also provided for higher ages, up to 75. You are normally entitled to claim tax relief at current rates of £16.50 for each £100 paid.

If you cash in or stop your payments during the first four years there is a penalty, and the tax authorities require you to make a deduction, so you should not consider the Plan for less than five years.

M&G is a member of the Life Offices' Association.

This offer is not available to residents of the Republic of Ireland.

M&G's Recovery Fund is something of a doyen in its class: a consistently consistent performer...
In its class: a consistently consistent performer...
The top performing unit trust of 1977 was M&G Recovery Fund which jumped by 115.9 per cent.
SUNDAY TELEGRAPH 11/78

TWO WAYS TO INVEST
1. M&G GROUP LTD, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ
TELEPHONE 01-626 4588. This section to be completed by all applicants.

2. SUBMITAL
(ON) ADDRESS

POST CODE

90 RF 530918

NEITHER £1,000 Complete this section to make a Capital Investment (minimum £1,000). Do not send any money. A contract will be sent to you stating exactly how much you are investing and the settlement date. Your certificate will follow shortly.

PLEASE INVEST IN ACCUMULATION INCOME units (delete as applicable or Accumulation units will be issued of the M&G Recovery Fund at the price ruling on receipt of this application.)

I declare that I am not an individual who is not a UK tax resident, or an individual who is not a UK tax resident.

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PROPERTY

The price of fame

BY JOE RENNISON

THE RECENTLY revealed scandal—maybe cause celebre is a better description—over the identification of the Constable pictures brings to mind some comparisons with domestic architecture. With the pictures the fact that some now are shown to be by the artist's son Lionel will wipe a few noughts off the market place price—even though the pictures themselves have not changed one jot or tittle. Can the price of a house fluctuate so alarmingly depending on the identity of the architect? Probably not.

What price, for instance, Frank Lloyd Wright? He is hailed as one of the greatest men of the century in his field, one of the seminal forces shaping architecture internationally. You personally may not like his work but it is a name to conjure with.

In 1953, four years before he died close to the age of 80, while his startling spiral-shaped Guggenheim Museum was being erected in New York, Lloyd Wright (1893/1959) designed a house in New Canaan, Connecticut, for an Australian client. The name of the house "Tiranna" is Aboriginal for "running water" and refers to the fact that the Noroton river flows through the property's 12 acres of woodlands and gardens.

"Tiranna" is a long low one-storey house which is described in the "Complete Catalogue of the Architecture of Frank Lloyd Wright" as "an intricate intermingling of the ellipse and square in a four-foot module. A concrete block of Wright's design combines with Philippine mahogany and glass to create a house swimming pool and pond wedged to

the Noroton river and its surrounding hills." Sotheby's Realty Corporation is offering this remarkable property for \$1,500,000 and Edward Cave, the Corporation's chairman makes the point that with the house and its picturesque grounds (only one hour by road or rail from New York City) the purchaser will acquire the original Lloyd Wright built-in and free standing fittings, his fabric designs and carpet layout and his important 15-piece dining room suite.

The house, which was added to in the Lloyd Wright style, in 1967, by one of his closest colleagues, has 16 rooms (including seven bedrooms with baths); caretaker's accommodation; central heating and air conditioning; artesian well, intercom system; stereo wiring.



The Japanese water garden and arboretum surrounding the house

and dining room (26 x 18 ft) have handsome Philippine mahogany ceilings and both have access, through a shared convex wall of floor-to-ceiling windows, to a spacious oval terrace (18 x 60 feet) which overlooks a 40 ft heated swimming pool.

In the family room (20 x 30 feet) there is a film screen and banquet seating. This room opens on to an attractive atrium, or patio, with sheltered dining area and fishpond.

The kitchen (14 x 20 feet) includes a soda fountain and a charcoal grill in its lavish equipment. The master suite in the bedroom wing has a private terrace, a sauna and an observatory equipped with a power telescope.

In a further wing there is a caretaker's flat with private terrace; a workshop and connecting greenhouse; a car port for four cars; and office/guestroom with a bath and a loggia which overlooks the ornamental pool.

The grounds were landscaped, in consultation with Lloyd Wright, by Frank Okomira, designer of the Brooklyn Botanical Gardens, and by Charles Middelmeier, also a well-known landscape architect. Jointly they decided to widen and deepen the Noroton to create, close to the house, two ornamental pools and an island.

The main pool, which lies 18 feet below the living room and terrace (and just nine feet below the swimming bath), is given a loo-foot jet fountain, a waterfall and a 100 foot spillway—a transformation which can perhaps fairly be compared with the changes made in the

course of the River Glyme at Blenheim Palace by English landscapist Lancelot "Capability" Brown in the 1760s, for the 4th Duke of Marlborough.

Okomira and Middelmeier also planted the grounds with "such a quantity and variety of flora as to qualify them as a major botanical garden" comments William Storrier in his "Complete Catalogue".

Would this house have its value substantially decreased if it was found that it was in fact, by an obscure pupil? A little maybe, but not much.

Many of the rooms have fine beaming. A self-contained staff wing has four rooms and a bathroom. A pair of cottages is also included in the sale.

The garden and grounds are of significant horticultural interest with an abundance and variety of specimen trees, shrubs, a rose garden and orchards. There is a semi-circular avenue of limes dating from early this century when the property was the residence of the Duchess of Marlborough.

There is a heated swimming pool, tennis lawn, an Elizabethan barn, a pre-15th Century granary, stabling and garaging. The remainder of the land forms excellent paddocks with some woodland. The property is surrounded by open farmland providing extensive views.

What price Mr. Melham's former home, a council flat in Acton?

Adam Faith, who is looking to purchase a farm in the Home Counties, has instructed Knight Frank and Rutley and Pereds to sell Crowhurst Place, Crowhurst. (If he sold the place under his original number of Terence Melham's would that change the price?) In this case, almost certainly not.

Agents are quoting a price in excess of £500,000 for this outstanding medieval moated manor house, with about 25 acres, only 25 miles from London.

Dating from the early 15th century, the house is listed Grade I as being of architectural and historic interest and has many rare examples of medieval joinery. It stands on a half-acre island surrounded by a moat. One of the many

interesting and historic features is the "Henry VIII Bedroom," believed to have been used by the monarch on several occasions, which has fine 15th century paneling and beams.

The magnificent Great Hall has a superb hammer-beam roof, ingenious fireplace with massive oak bressumier, a teak arched window containing some very old heraldic glass. There are four reception rooms, playroom, five principal bedrooms, four bathrooms and dressing room and four secondary bedrooms and three bathrooms.

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Two imposing houses in South Devon, both dating from the early 1900s and having sea and coastal views, are being auctioned next month by Bettesworths of Torquay. On September 20, Bettesworths will auction "Leaside," a five-bedroom, wisteria-clad family house in two acres of grounds in Thurlestone, a village five miles from Kingsbridge and almost equidistant (20 miles approximately) from Torquay and Plymouth. Thurlestone is on the South Hams peninsula, an area of outstanding natural beauty where development is strictly controlled. The house is only 15 miles from the A38 dual carriageway with its

direct access to the M5 motorway at Exeter. The property was built in 1911, with 11 additions. The second house, "Linacre," a beautifully proportioned detached house with magnificent sea and coastal views. It was built just after the First World War. The stone and brick property is grounds of one acre in Ridge Way Road, Torquay, one of the town's best residential areas, was last on the market 11 years ago. On the ground floor, the main accommodation consists of a cloakroom, drawing room, dining room, breakfast room and kitchen with a holler room and walk-in storage. On the first floor are four bedrooms and two bathrooms.



Officials who do not pay

WE ARE ALL only too familiar with those imprinted stamps that look like a crown inside a TV screen, with the words "Official Paid," that come on buff envelopes from the Inland Revenue and other government departments. Behind those prosaic bits of stationery lies a fascinating story which dates back to the "free" franks of the 18th and early 19th centuries.

The franking privilege, enjoyed by government officials and members of both Houses of Parliament, came to an end in 1840 with the introduction of Penny Postage. Even Queen Victoria surrendered the franking privilege which monarchs had enjoyed since the reign of Henry VIII.

The franking system had been grossly abused but some form of free postage was still required. The answer was specially printed envelopes for the Houses of Parliament and these, issued in January 1840, constitute the earliest official stationery. The Post Office originally considered issuing adhesive stamps to government departments for use on their mail. These stamps were identical to the Penny Blacks sold to the public, in every respect save one. In the upper corners, where the ordinary stamps had tiny stars, the official stamps bore the royal initials VR. Although inscribed "One Penny" it was never intended that they should be sold. The scheme was never implemented and in 1843 the

last bulk of the VR Penny Blacks were destroyed. A few examples were used for cancellation experiments by the Post Office but most of the surviving specimens, in unused condition, came from circulars sent out to all postmasters when stamps were withdrawn from

Many departments, however, continued to use adhesive stamps and problems with the misuse of such stamps led to the application of perforated initials as a security endorsement. Stamps with the initials of the Board of Trade (BT) and the Stationery Office (SO) appeared about 1880 and were the precursors of stamps overprinted with the name or initials of various departments.

The first of these stamps appeared in 1880; and, coincidentally, contemporary definitions of "Official" and "Official" overprinted stamps were subsequently overprinted for use in government parcels, the Office of Works, the War Office, the Admiralty, the Board of Education and the Royal Household. For a short time after they were first released in 1882 these stamps could be purchased by the general public from Somers

set House, but this practice was soon stopped. Later, it became illegal to possess unused stamps of the stamps and even used specimens were extremely elusive, since they were mostly confined to internal correspondence and officials were required to deface the stamps and destroy them after use.

Nevertheless leakages of both mint and used stamps continued until 1903 when criminal proceedings were taken against three persons for stealing and dishonestly handling official stamps. All official adhesive stamps were withdrawn from

items from the finest collection ever formed of Great Britain's "Official Stamps" which is to be offered for sale as 313 lots by Stanley Gibbons in London on October 5. The auction is expected to realise at least £125,000.

stamps were introduced in May use in March 1840 as a result of 1840. A few are known with this use. Shortly before this time, the 1d Edwardian stamp was quite illegal.

Only one example of a VR Penny Black is known still attached to the envelope on which it passed through the post. It came to light in a Peabody lawyer's office during a wartime salvage drive and is a private hands. A few examples are known overprinted "Speedy" and one of these, estimated at £1,400, is included in the forthcoming Gibbons sale.

British government officials have used "Official Paid" stationery and postmarks since and these have generally been neglected by philatelists. However, quite a few examples of the stationery used by such departments as the Board of Agriculture, Charity Commission, Foreign Office, the Receiver of Wrecks and the Tower of London are included in this sale, with some quite

heavy used "Official Paid" stationery and postmarks. These have generally been neglected by philatelists. However, quite a few examples of the stationery used by such departments as the Board of Agriculture, Charity Commission, Foreign Office, the Receiver of Wrecks and the Tower of London are included in this sale, with some quite

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MOTORING



Traditionally, Russian-made Ladas have been bought by motorists seeking a strong and, hopefully, reliable family saloon at a modest price. This week the importers, Satra Motors, have moved decidedly upmarket with the 1600 ES. In essence, it is still the same Soviet version of the old Fiat 124 but equipped to Western executive standards (hence the description ES) with cloth seats, more instruments, stereo tape player and radio, alloy wheels and steel-belted radial tyres and a vinyl roof. Whether this will be enough to attract

buyers at £2,999 remains to be seen. The 1600 ES-1 tried seemed excessively low geared and had the kind of steering lorry drivers might go on strike over though Satra assured me it was not typical. Its swiftness of top gear flexibility would, however, go down well with people who tow caravans, a job the ordinary Lada 1600 at £2,665 would do just as capably because it has the same engine but fewer goodies. For those of more basic tastes, the Lada 1200 and 1300 saloons and estate cars continue to be available

Battle for the tyre market

BY STUART MARSHALL

BEFORE THE end of this year a battle will break out between the Michelin and Pirelli for leadership in car tyre technology. From the motorist's point of view, it doesn't matter which firm wins. Either way, the car-buyer will benefit because two new super-tyres—Michelin's TRX and Pirelli's P6—provide a previously unknown combination of grip, steering response and ride comfort.

These wide, low profile super-tyres are, of course, radials. The crossply tyre, except for replacement purposes on elderly cars, is as good as dead. Where these super-tyres differ from normal steelbeltd radials like the Michelin XXZ, Dunlop SP4 or Goodyear G800S, is in their construction.

Michelin, who are so tight-knitted about new developments that they make the Krenalin look like Liberty Hall, won't say how it is done. Pirelli, on the other hand, cheerfully explain that they have put a belt of nylon on top of the steel wire under-tread belts. This shrinks as it warms up and tightens down on the steel ones, keeping them precisely in place under stress and allowing them to be made of thinner wire. They in turn means the Pirelli P6 tyre rides more softly and shock absorbers over rough roads.

Small belts in the sidewall, close to the rim, stiffen the tyre, sharpen steering response and improve the car's stability under very hard cornering. Michelin's TRX offers similar advantages. Ford has just announced that TRX will be available at extra cost on all GL and Ghia Granadas and not just on the sporty Granada GLS, which succeeds the austere trimmed "S" model. To get TRX, however, you have to buy the full "S" pack of special wheels and suspension modifications as well as the tyres, which can add up to £353. If you have to replace a tyre, the TRX will cost about £52, which is twice the price of a normal tyre.

Pirelli's P6, at present obtainable only on the Fiat 132-2000, will be seen this autumn on some up-market cars including the six-cylinder Opels and the Saab Turbo. There will also be sizes for cars like the Ford Fiesta. When P6 is offered as an optional extra, the price difference should be much less than Ford charge for Michelin's super-tyre on the Granada. The reason is that TRX needs a special wheel whereas P6 goes on a standard wheel, though of one inch bigger diameter. And it is necessary to prevent the squatter tyres from making the

car sit too low on the ground and upsetting the overall gearing. In the last year I have tried four cars on P6 (the Rover 3500, Fiat 132-2000, Ford Fiesta Ghia and BMW 733i) and just one, the Granada "S", on TRX. These super-tyres, 60 or 65 per cent as high as they are wide, really do make good cars handle better and feel safer. Unfortunately, their introduction also makes the whole business of understanding a tyre's characteristics and knowing what to buy more confusing than ever. This summer it had reached such a pitch that the British tyre makers tried to explain the meaning of the latest sidewall markings to the trade. Their statement ran to six closely typed pages. Even so, it said nothing about remoulded tyres, downgraded new tyres or "seconds", which are a subject to themselves.

It is really no exaggeration to say that tyre buying today is no task for the amateur. The best way through the jungle is to go to a specialist. There are about 2,500 of them in the National Tyre Distributors Association. Competition ensures their pricing is keen, many are elaborately equipped and all of them do at least know what they are talking about.

ON FEBRUARY 23 this year, Sandy Lyle recorded a 61 in the first round of the Nigerian Open. The next day he added a 63, thus establishing a new world record of 124 for 36 holes. The golfing world rejoiced with Lyle, for here was the brightest amateur prospect since Peter Oosterhuis proving himself in dramatic fashion.

He went on to win the tournament only months after turning professional, and despite himself, the thought began to infiltrate—could this be the new Nicklaus?

Last week in the Carrolls Irish Open, Lyle had a 77 in the first round, followed it with an 83 and failed to make the cut. His official money winnings this year stand at £2,501.57, placing him 54th in the Order of Merit, and already the image is a little tarnished, the ambition dulled.

From looking for a place in the top 20, Lyle is now hoping to stay in the top 60, who receive exemption from qualifying next season, so the 35 strokes difference between the two rounds in Nigeria and the two in Ireland requires some explanation. They cannot all be accounted for by the difference in class between the two

A precocious talent

courses, nor indeed by the week-to-week fluctuations in form that every player encounters.

The problem goes deeper than that, and I suspect that the real reason why the 20-year-old Lyle is now being gradually submerged is the system British golf uses to produce, or fail to produce, its stars.

Lyle, as an amateur, seemingly had everything. In his last year over four rounds of stroke play he was completely dominant. He won the Brahan Trophy by seven shots, the Berkshire Trophy by seven shots, and the Scrutton Jug, awarded for the best aggregate in these events, by 17 shots. If the Lythan Trophy, the other major stroke play tournament, had been included in this aggregate award, he would have won it by 24 shots.

He was demonstrably two strokes per round better than any other amateur in the country over the four round distance, and as this was where he was going to compete as a professional, the signs could not have been more favourable.

After all, Mark James had won nearly £10,000 in his rookie

year as a professional, and Ken Brown £9,000 in his second year, with neither of them having even remotely the same qualifications as Lyle.

Why, then, has Lyle not so far reached at least those levels? I believe the answer is that throwing the talented amateur straight among the professional

speaking, is something no other game demands of its budding stars. Football nurses its teenage talents, resting them from time to time, even though their "tournament" only 90 minutes long each week.

Cricket introduces its players gradually, through second teams and county matches, and it is perhaps significant that Lyle himself has decided not to play in the Swiss Open this week.

"I'm going in for a 10,000-mile service," he says. "In the last nine holes in the Carrolls, I stopped trying to score and just tried new ways of hitting the ball. I'd got to the stage where I'd have one bad hole and not be able to see a way of getting the shots back. I suppose I'm stale."

For Lyle to be stale, at 20 and in the middle of his first season of professional golf, indicates something wrong somewhere.

Lyle has found that the courses are tougher on the professional circuit, with pins in tighter positions and the rough growing-in and up. He also says that standards are extremely

high. "There are professionals from all over the world playing. Level par gets you about 30th."

He says that his good friend Martin Poxon, the former Walker Cup player, had qualified for the Carrolls in a play-off which finished on the ninth extra hole, the implication being that after undergoing that kind of pressure, no one would have much left for the actual tournament.

It is a hard life on the professional circuit. Early in the season, Lyle, then 19, had three days at home in six weeks, a schedule which would make demands on the toughest of jet-setters.

The introduction of young amateurs to pro golf needs to be handled delicately, and it is a real pity we have nothing resembling the U.S. college system, which prepares its youngsters ideally for the pressures of professional sport. In the absence of that, we should welcome the idea of a three-year undergraduate course in sport, announced this week, involving the study as well as the practice of the subject.

It should add to our limited store of knowledge and could well prevent those few precocious talents that we do possess burning themselves out before they have barely started.

GOLF

ROGER PAUL

lions only works in exceptional cases. It only works if the amateur concerned has reached mental, as well as golfing, maturity, and is of the very special type that is able to withstand the extraordinary demands made by the professional tour.

Lyle has played in dozens of events around the world—in Africa, the Argentine, Spain, France and Italy so far this year—and this, in the most strenuous of sports, psychologically

That rundown feeling

to keep the two 70-ampere-hour capacity lead acid accumulators in good condition and well-charged things went badly wrong, repeatedly and persistently. Tides were misread and tempers frayed because the engine could not be started at crucial moments.

Relentless as a maritime Sherlock Holmes I traced the problem to a combination of

been using two new forms of battery with markedly better results. They are the AC Delco maintenance-free Freedom battery, and the special marine battery made by Varta of West Germany.

Car batteries are built down to a price—and the prices paid by manufacturers for batteries fitted as original equipment are very keen indeed. The battery companies point out that car batteries do not have designed into them the necessary requirements for functioning well while left neglected and under-charged for long periods in wet yacht bilges.

BOATING

ROY HODSDON

faults. The root cause was that the batteries—a bargain, I had thought from a South London car battery supplier—were not proving sufficiently robust to stand up to marine conditions. A secondary problem was that the starter motor on the engine was worn and would not spin when the voltage across the batteries was low.

A replacement starter motor was fitted and this year I have

Both the Varta and the Freedom batteries overcome most of the objections that one makes against lead-acid batteries by means of particularly high quality construction. This approach enables them to pack a lot of power for their weight. Then their sturdy internal construction enables them to withstand the knocks and sometimes wild motion of a yacht at sea. The Freedom battery—

originally for rigorous trucking use in the United States—comes complete with acid, sealed for life, and ready charged. It incorporates its own hydrometer to indicate the state of charge at a glance. A small port hole glows green if the battery is fully charged.

The Varta is sold charged but "dry". The accumulator acid is supplied in separate plastic containers and is not added until the battery is installed and put into use. Then "topping-up" with distilled water is only necessary about once a year. It would be possible to keep one of these Varta batteries "dry" on a boat for several years as an emergency power supply to be activated when needed.

The internal construction of both batteries is to higher standards than conventional car batteries. An important benefit from the yachtman's viewpoint is that the Freedom and Varta batteries are much less likely to lose their charges through internal discharging if they are left unused for weeks or months.

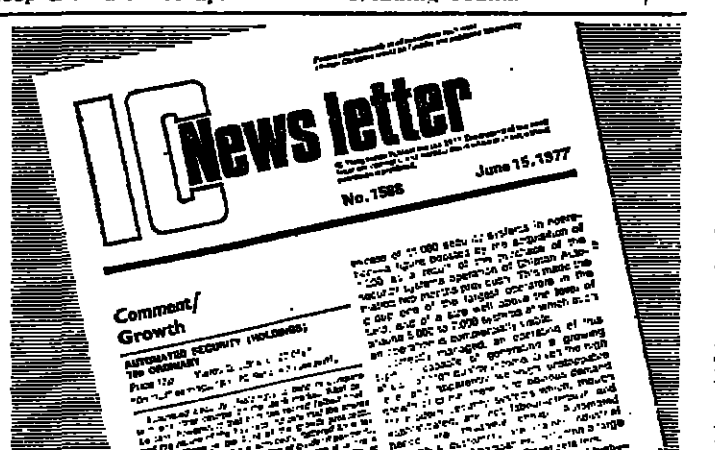
A reliable battery installation, however, only half the battle to ensure a boat's power supply. The other half of the battle is in two parts. The wiring and all installations should be checked in order to make sure that they are up to the task and that all joints and connections are clean and sound. Secondly, the charging system must be good enough to keep the batteries up.

Yacht engines are rarely run for long enough periods to keep the ship's batteries charged reliably. Something more is needed. For ocean crossings there is much to be said for one of the water charging systems which employ water propellers to drive a generator. Charges of 10 amps can be obtained by these systems, although they do slow the boat down a little.

For weekend cruising I favour a "belt and braces" system. A 300-watt output Honda generator gives a charge of 8 amps is sufficiently small to be carried in a locker. When running it is so quiet that it cannot be heard more than 15 feet from the yacht. It can put life into a dead battery within a couple of hours.

To keep the batteries charged between sailing weekends I am now using a windmill charger. Apart from giving one a sense of ecological superiority this is a most useful device. It gives a tiny trickle charge, never more than one-quarter amp, but plenty to keep two big batteries cheerful while the boat is not in use. My installation is the Aeromarine Mark V made by Selectomarine of Poole. The windmill is less than 18 inches in diameter and plugs into a mounting on the deck. In winds above 10 mph it buzzes away merrily.

Plastimo Manufacturing (UK) of Chadders Ford supply a different design—the Eodyne, which is popular with French yachtmen. Designed to be mounted at or near the masthead to catch the best of the wind, it is very neat. From the deck it looks rather like a tin of baked beans spinning round.



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LEISURE/FASHION

All change for Autumn

BY LUCIA VAN DER POST



This military-style dress (note the padded shoulders) complete with matching covered "Sam Browne" belt sums up the new autumn look. From main branches of Wallis shops, the dress comes in beige, lilac and wine and is £25.95.

WELL, THERE'S no point in beating about the bush. The news from Paris is bad. Just as we've all got our layered look together, just as our wardrobes are bulging at the seams with skirts that tone with waistcoats that go with broad-shouldered jackets that are softened by frilly blouses, the designers have decreed, wouldn't you know, that the look now is straight and narrow. And what's more the verdict was unanimous.

Speaking personally, it's not just the clothes I'm worried about, it's the shape. Straight and narrow I have never been and I don't think my prospects of making it this time round are any better. The bulletins from Paris inform me that designers have decreed that women "will have shoulders, bosoms, a waist, rounded hips and long shapely legs this winter." Where, I would like to know, can we buy them and how much?

While the news for women is bad, the men are in for a lovely time. The fashionable lady is going to be this utterly desirable shape and then she's going to be "chic, well turned out and sophisticated during the day. At night (can you wait?) she's going to be a "vamp, ultra-feminine and fun-loving."

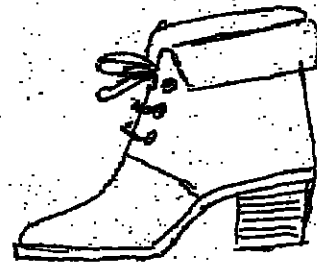
Certainly what is nice and what I would think almost all women will welcome is that the naive peasant look is out and a much more knowing, more sophisticated look is coming to take its place. Anything that smacks of the ethnic or the pastoral won't do. Lines are much sharper with the general shape being rather like an inverted triangle, starting with broad-shoulders, often in rather military style, and tapering to slim skirts or narrow-ankled trousers. The narrower skirt (for which, it goes without saying, hips will need to be narrower, too) is a bit shorter, stopping somewhere between the knee and mid-calf.

Colours too are a-changing. Whereas last year we were all tuned in to soft camels, creams and rusts, this year there is a great deal of heathery purple, plum and aubergine about. Black is back and very smart. Hair at the Paris shows was much less wild and much neater than for years. Hats of all sorts were shown—from tiny beanies

to very glamorous pill-boxes. Leather is the material of the year though this time it's much, much softer and gone, you'll be pleased to hear, is the Nazi storm-trooper look so fashionable in modish circles last year.

Short boots are already to be seen in all the best shoe-shops and the one indispensable accessory this year is a "Sam Browne" belt. If, like most of us, you have in your wardrobe a fairly new tweed hacking jacket, some soft frilly blouses and a couple of full skirts, there is not a great deal you can do. Smock dresses can be worn belted with the said "Sam Browne" belt. Shoulders can be padded. Team the hacking jacket with a straight skirt and the same belt. Don't whatever you do, wear lace peeping below your skirts.

For evening you can hardly



This short boot by Rayne, re-jointing "in the name of 'Mayfair,'" sums up the new season look. In brown calf only it is £39 from all Rayne shops.

do better than to find a little black dress, the more it hugs you and the narrower it is the better. All the glamorous touches from the thirties are back—little veils, aigrettes, combs and baroque jewels can be worn in the hair, gloves and fox furs, muffs and glittery jewellery were all part of the great Paris fashion show.



Though generally a less cluttered look is coming in most of our wardrobes, the whole effect of year's separates in our wardrobe is softened by the lace-trimmed robe. The drawing on the left frilly blouse. Everything for shows you how they can now be put together. Team your full skirt with the softest most feathery, most lacy-collared sweater you can find—this one from Miss Selfridge has frilly drawstring cuffs, neck and waist and comes in white, hyacinth or rose (£19.95). If you're young enough flatish shoes and socks will still look good. On the right in the drawing is another way of using separates—in black or white, 100 per cent the full skirt is worn over acrylic, and is £42.00. The trousers and the waistcoat has wool/nylon white skirt is a distinctly hand-knitted look to £73.00.

Meandering in mid Wales

THE RIVERS Severn and Wye are each born as a marshy trickle within a couple of miles of each other in the middle of a bleak moorland high up in mid-Wales. When they next meet, the Severn is some 200 miles older, and the Wye has found a very different route indeed to Chepstow near which it joins its old neighbour for the last few miles into the Bristol Channel.

But it is about their common birthplace and its surroundings that I want to write now, for it is an area through which many pass and rather few linger. The sea and all its attractions are still a few mountainous miles away. A whirling of sinuous roads unfurl, secluded, sparsely inhabited valleys, sometimes wandering beside twisting reservoirs whose waters eventually flow out through the taps of Birmingham. Submerged beneath one of them is the house where the 14-year-old Shelley brought his young wife Harriet in 1910.

It's an area for sightseeing and scenery, where England merges into Wales rather more gently than it does at times elsewhere, and where you cross and re-cross Offa's Dyke with rather less awareness of the long term side-effects imposed by that remarkable boundary of Mercia's 8th century king.

Our visit was in mid-winter, in a rented cottage in the upper Severn Valley. Llanidloes, the first small town on the young Severn, was our nearest shopping centre, and a pleasant one. But, in fact, we revivified just as often at Rhayader on the young Wye (major livestock market on Wednesdays), crossing the mountains by one of the less obvious labyrinthine little roads and wallowing in fine scenery in the process. Thus we came upon the somewhat fragmentary but beautifully sited ruins of 12th century Abbey Cwmhir, traditionally the burial place of Llywelyn, last of the Welsh princes; and, only a few miles to the north-east on the main A483, the lonely little church of Llananno, most un-

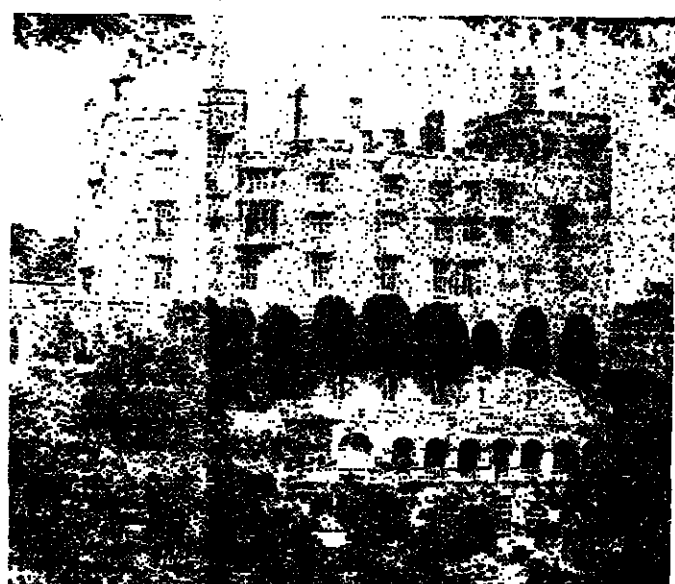


Rhayader High Street

expectedly sheltering a glorious 16th century carved road screen.

One day we devoted to Hafren Forest, Hafren being the Welsh name for the Severn. This is Forestry Commission land, rather less military in the arrangement of some of its over 13 million trees than some and, through it, half a dozen marked walking trails of 3-8 miles in length are easy to follow, providing you are suitably shod, the longest being to the source of the Severn itself. All the walks start from a car park on an unclassified road between Llanidloes and Staynith.

We spent another couple of days hunting castles. The first took us west to the coast, approaching it initially via a minor mountain road down to Machynlleth. This small market town has a curious, comfortable Victorian look about it, though it has strong associations with one of Wales' most romantic and enigmatic figures, Owain Glyndwr (Owen Glendower to us). In the early 15th century, his fierce and



Powis castle

enhanced by caravan sites, toin the land, continuously inhabited since the 13th century. The interior is notable for a splendid series of 18th-19th century rooms and furnishings and the formal gardens laid out in the 18th century have been little altered since.

A few miles to the south there's yet another castle at Montgomery, though the views from its rocky perch are more impressive than the rather ruinous remains. With its strategic situation, this has been the site of Neolithic, Iron Age and Roman fortifications as well, but now the little town clustered about its steep market place is mainly Georgian and very pretty it is too.

Offa's Dyke, whose 167 miles is now a waymarked path, passes just to the east of both Montgomery and Welshpool and, beyond it, rise the hills of Shropshire. The Severn winds circuitously round to avoid them before heading south, now an English river on its way to the sea.

Further information: Wales Tourist Board, Llanidloes, Cardiff CF24 2YZ.

Top value for fuchsias

WHAT MARVELLOUSLY good fairly firm shoot will form roots. It is better if it is not flowering but if it does have a few flower buds and it is difficult at the moment to find any young shoots that have not, they can be picked off and it will make no difference to their ability to level throughout September and, with luck, will not be finally extinguished until late October. In an unheated glasshouse the display can extend over five months and, given enough artificial heat to maintain a minimum 13 deg. C, for maybe another two months beyond that. It would be hard to think of many other plants that could equal this continuity and certainly none that are also as easy to grow.

For fuchsias will thrive in all soils that are reasonably well fed and are never allowed to become really dry for long. They grow almost equally well in sun or shade, but flower more freely in good light and, under glass, only require the lightest of shading in summer to protect their leaves and flowers from scorching.

Fuchsias are also among the easiest of plants to propagate, since cuttings will root at any period during which the plants are growing and that depends mainly on the temperature available since, if it never falls below about 10 deg. C, the plants retain their leaves even in winter and are never entirely at rest.

At substantially lower temperatures fuchsias drop their leaves and, if it freezes at all hard, they lose their stems as well, but usually the roots remain alive to sprout again in the spring. This is what makes it rather misleading to divide fuchsias into "hardy" and "tender" varieties, for it depends so much upon just where one draws the line. For my part, with the exception of obviously tender hybrids derived from such species as *Fuchsia triphylla* and *F. fulgens*, I would try any variety outdoors, giving it the most sheltered place available to begin with and protecting from November to March with a fairly good layer of peat or peat and soil. In sheltered town gardens and patios I doubt that there are any fuchsias which cannot be brought through an average British winter without too much difficulty.

And then, as a second line of defence I would take a few cuttings and overwinter them as small rooted plants on a sunny window ledge or in any other reasonably light and frost-proof place. To succeed with fuchsia cuttings is the simplest thing in the world since any

varieties. There is a lively British Fuchsia Society, largely amateur in membership, and a great deal of exchange varieties goes on between enthusiasts. I daresay it is partly because of this that the big nurserymen are not much attracted by fuchsias. I must confess that most of my best plants have come to me by exchange or as straightforward gifts from other fuchsia growers. They are a generous lot and anyway who misses two or three small shoots from plants that grow so heartily.

GARDENING

ARTHUR HELLIER

mixture. I use equal parts soil, sand and peat but vermiculite, perlite or anything that is both porous and absorbent will do equally well. I put five or six cuttings around the edge of a 75 mm pot and slip a polythene bag over this securing it around the pot with an elastic band. Provided the rooting mixture is made thoroughly wet before the pot goes into the bag it is unlikely that any more water will be required until the cuttings are rooted but just to be absolutely safe I stand the pots on moist sand, peat, soil or one of the useful plastic fibre mats that are sold for greenhouse staging. Then, if the compost in the pots does begin to get dry, it will draw up more moisture from the standing ground by capillary attraction. Cuttings are usually starting to make roots by the second or third week and soon after that white rootlets will begin to push out through the drainage holes. By that time the bags should have been removed and the cuttings can be tipped out carefully and potted singly in small pots in any good soil or peat based potting mixture. Keep it nice and spongy so that plenty of moisture is retained without aeration being impaired and in a very short time the pots will be full of roots and little plants will be well able to survive a winter in any frost-proof place.

The following spring they go outside and one can begin to experiment with their hardiness under one's own conditions. Most nurserymen, with the exception of the fuchsia specialists, who are mainly small one man firms, list a pitifully restricted range of commerce.

My most spectacular fuchsias outdoors are Brilliant and Santa Cruz, both with large flowers very freely produced. Brilliant combines scarlet and white special glowing magenta that is peculiar to fuchsias. It makes a big bold plant with upstanding stems, is entirely hardy and has been around for more than 100 years yet remains a comparatively little grown variety. Santa Cruz is much more modern, an American creation, certainly less hardy than Brilliant though well able to survive some frost. It has wonderfully luscious flowers in which flared scarlet sepals combine with dusky crimson petals folded around one another like an amply pleated skirt. Like Brilliant it is missing from many of the lists and from the extensive hardy fuchsia trial in the RHS gardens at Wisley.

Citation is rose and white, its single flowers very large and beautiful. Swingtime is red and white and double, and Jack Sharon is in two shades of pink and has very long sepals. At the other extreme are tiny tots such as Tom Thumb and Lady Thumb, one rose and one purple, the other rose and white, but otherwise identical in their neat bushy habit and small leaves to match the small flowers. Bon Accord is unique in holding its little purple and white flowers erect so that they look right up at one, and Bouquet is another small fuchsia with dark leaves, to match its dark red and violet flowers.

There are also fuchsias grown more for their variegated leaves than for their flowers, most of them forms of the very lovely *Fuchsia megasticta grandis*. So I suspect, is the best variegated fuchsia I have yet seen, in the name of Sharpitor, so far as I know it has come from the National Trust garden of that name overlooking the Salcombe estuary in Devon; I hope someone is doing something about propagating and distributing this very fine plant with almost white leaves for I do not think it has yet found its way into the commerce.

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TRAVEL

SYLVIA NICKELS

successful struggles against the English led, according to tradition, to the setting up of a parliament which sat at Machynlleth. Though this Welsh Westminster was of short duration, it even appointed its own ambassadors to France and Scotland. The ancient Parliament House in the main street is said to be where the meetings were held.

From here we more or less followed the river Dovey, then turning south by a "B" road along the coast, not always

Year Weekend: E. Austria 27.25, Belgium 61.75, France 5.5, Italy 15.00, Greece 67.75, Spain 34.00, Switzerland 3.33, U.S. 3.90. Source: Thomas Cook.

Financial Times,
10, Cannon Street, EC4A 3DF

الطريق إلى

HOW TO SPEND IT

by Lucia van der Post

Country Style



IF YOU can't afford the price of true solid wood, made by craftsmen and exquisitely finished by hand, then the rustic, homely look need not be beyond you. You can always put it together yourself. Grovewood produce a range of self-assembly kitchen units which somehow manage to have something of an authentic farmhouse air about them.

Grovewood have been in the self-assembly market for some time but the new Traditional Town and Country version of their self-assembly lines has a distinctly solid country look

about it. Though the insides of the units are in melamine all the surfaces (except the working surface which is of Classic Onyx, a remarkably marble-like laminate top) that show are of wood. There are solid timber doors and matching end-panels. The usual range of standard units are available, which should be able to be adapted to most kitchens. Base units are made in two "front to back" sizes (800 mm and 500 mm)—this means that the 600 mm size could be used in most situations and to fit in with most modern appliances while the 300 mm

size is useful where space is more limited. Floor units come in 300 mm, 500 mm, 600 mm and 1,000 mm lengths. Wall units are higher than is usual and have two adjustable shelves and a built-in light pelmet.

The range has been designed to accommodate over 40 different fridges, freezers, hobs and ovens from leading manufacturers. Most kitchen manufacturers these days manage to produce ranges that are practical and functional—what I like about the Grovewood 9149. The brochure will list all self-assembly ranges that it offers that plus ingredient that size and style as well as prices.

Many readers may remember that earlier in the year I wrote about Alf Martensson's solid maple wood dining-tables. Alf Martensson is an American who has retained a belief that all truly fine furniture should be made from solid woods and, being an American, maple is to him one of the most beautiful woods around. There was a huge response to these tables, many readers finding them just the sort of thing they had hoped to find for years but until they discovered him, had despaired of finding.

So successful did this initial venture prove that now he has expanded into developing more solid, fine, simple furniture—like the kitchen work island unit featured here and, on a smaller scale, the solid maple chopping boards.

Most people can configure up a vision of the old-fashioned kitchen and in it was always a central work table at which the cook or the woman of the household did the true kitchen work—the rolling out of pastry, the chopping of the vegetables and so on. Almost all modern kitchens seemed to have ignored this marvellously useful piece of equipment. Alf Martensson discovered that there was a big demand for this kind of unit—besides serving as a hard-wearing functional work-surface it can also double as a dividing unit between eating and kitchen area.

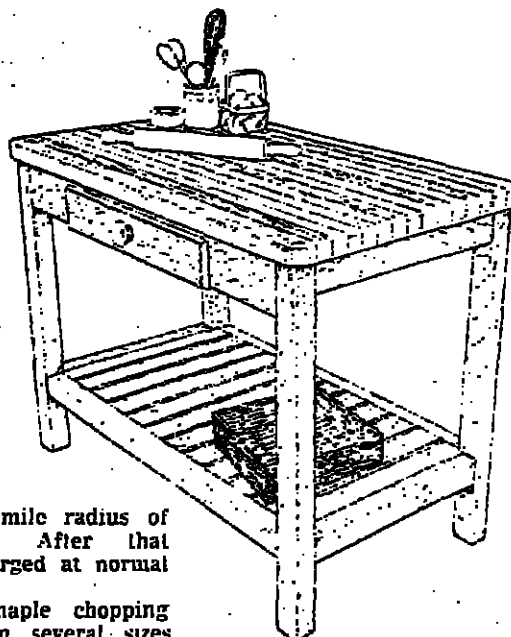
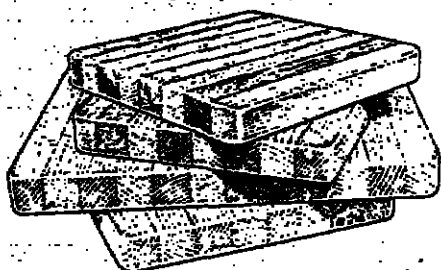
Like everything that Alf Martensson does, it is made from solid maple, 2 in thick. This means everything, including the drawers, is made from solid wood. Maple is particularly good wood for these purposes and not only does it look a whole lot better than any plastic surface, it also forms a proper working surface. You can chop on it, roll out pastry on it and then just wipe it off with a damp cloth. The wood is finished in edible vegetable oil and from time to time, after it has been scrubbed to keep it clean, it should be polished up with vegetable oil, rather in the way that one treats a salad bowl.

The kitchen island unit is 30 in by 48 in and 36 in high, which after much experimenting with numerous cooks has proved to be the optimum height. If you want a kitchen island unit, it is £195 and delivery is free

within a five mile radius of Kings Cross. After that carriage is charged at normal rates.

The solid maple chopping blocks come in several sizes from 8 in square at £3.50 up to 18 in by 18 in for £12.50. If you really hanker after the solid wood look throughout the kitchen Alf Martensson also produces kitchen worktops all made in sizes to fit standard kitchen unit tops. These worktops are all made from solid 2 in maple wood. They can be fixed by screws and brackets if you wish but alternatively, as they are so heavy, they do lie in position and so can just be placed where wanted. If you would like a solid maple work-

ing surface going right up to the sink they will cut out a sink-unit shape as well. Charges for these worktops are £20 a running foot. Alf Martensson runs his workshop at Building K, Albion Yard, Balfe Street, London, N1 9ED, which is just next door to Kings Cross station and is open from Monday to Saturday, 9.15 to 6.30. For those who live out of London, a stamped address envelope will ensure a copy of their detailed brochure.



JOHN PRIZEMAN is an architect well known for the skill with which he can transform the most apparently hopeless dark hole into a kitchen full of charm and the ease with which he appears to conjure space out of otherwise hopelessly cramped conditions. Dealing with kitchens over the years he came to despair of being able to prescribe for his clients the kind of simple but pleasing collection of elements that most of them had in their minds' eye. Finally, driven by necessity, he has now designed and started to arrange the production in small numbers of his own designs. "I was really driven to it," he tells me, "by my frustrations with existing ranges. I did not want anything over-exotic. I don't like systems that are instantly recognisable, the way the Fiesta car, or the Audi 2000 is. I want a kitchen that is full of cabinets that seem comfortable and necessary and practical so that they

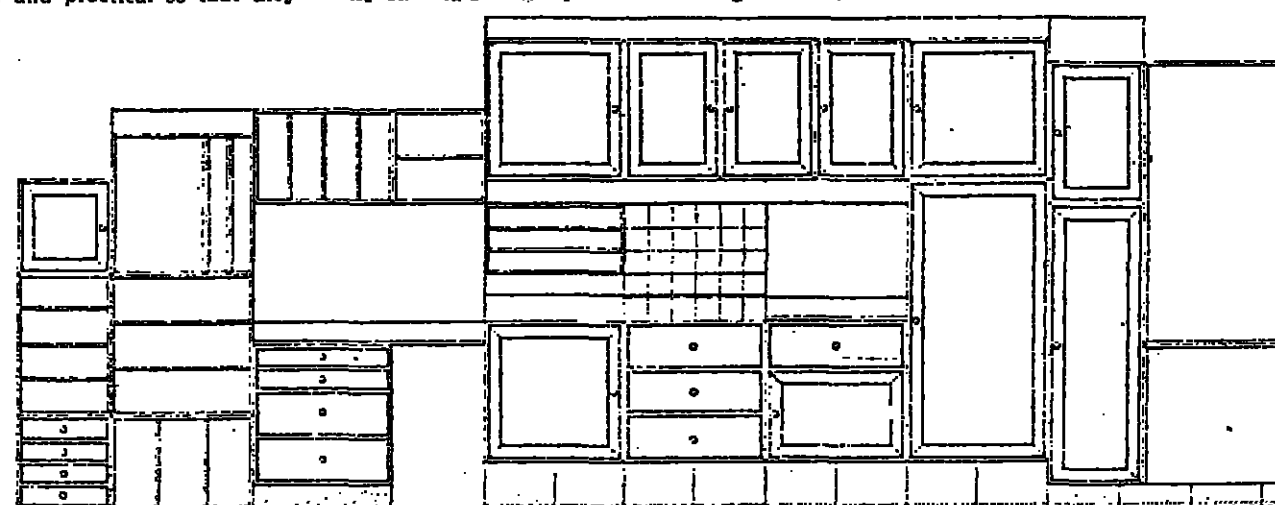
have the air of a comfortable, old jacket that you like wearing. The range is based on simplicity and I've used a small firm in Battersea to make them for me—I think it's only by using small firms that you can keep costs down and quality up. "I think the needs in a kitchen are very simple—lots of cupboards, an impregnable work-surface, some marble for rolling out pastry and wood surfaces for chopping on. I also think a kitchen should go on looking better with the years—it should begin to look lived in and should mature, whereas most kitchens begin to look very seedy after several years. The plastic laminate starts to peel off and the polyester chips and they look generally second-hand. I've tried to design a complete system—the Camilla Storage Range and the Oriel tiles, which if used together, should wear well and improve with age."

primarily aimed at kitchens but it can be used as a complete storage system in bedrooms, spare rooms or studies (see drawing below). The sides and back are made from white melamine faced chipboard while the door frames and drawer fronts are in solid mahogany, oak, pine or walnut (the woods of traditional English furniture) with a waxed lacquer finish. All the door panels are in polyurethane laminate in white, antique, gentian blue, green or paprika. The melamine wood veneers match the door frames or you could have clear or smoked glass or mirrors. The handles look best, in my view, as simple white china knobs but you could also have brass or turned wood.

The whole effect is one of the utmost simplicity and yet those who own the units are delighted with them. In the picture is an existing kitchen, one of those miraculously created out of a dank hole by John Prizeman, whose owners are absolutely delighted both with the planning of the kitchen itself and the units in themselves. "I particularly like to see the kitchen as I come in through the front door," says the woman of the house, "everything is so finely finished it looks like a drawing. The solid frames can take plenty of knocks and somehow, although the space is limited, there is somewhere to put everything."

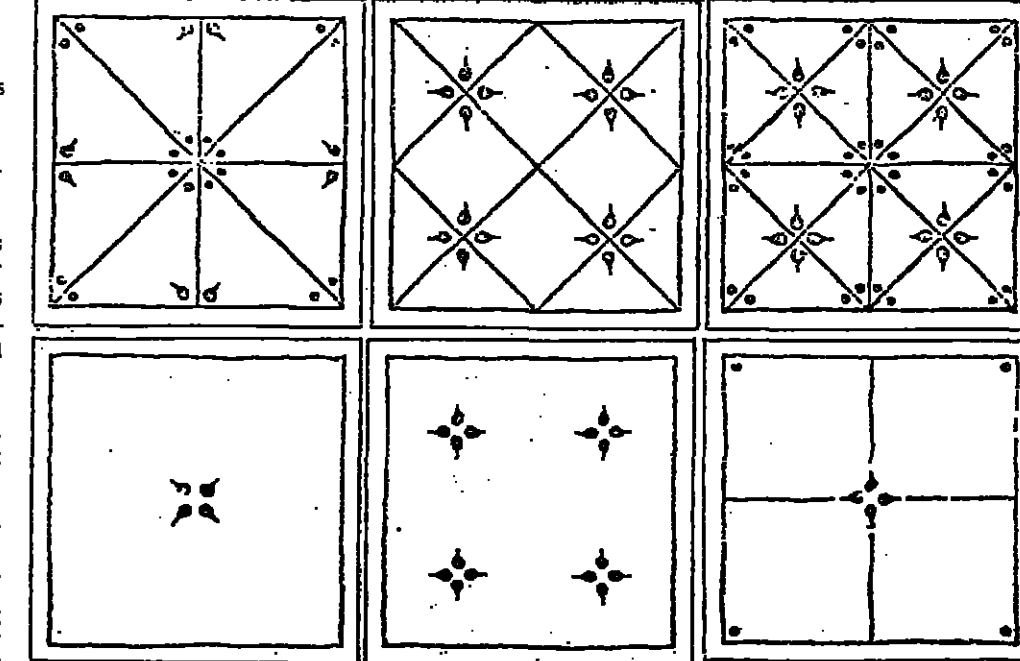
At the moment these units are only available to order and orders take six weeks. They can be seen at the new Coexistence shop at 2 Conduit Buildings, Floral Street, Covent Garden, London, W.C.2. Prices are extremely reasonable, starting at £25.00 for an open shallow cupboard measuring 600mm by 300mm by 100mm. Coexistence will send leaflets listing sizes and prices of the complete range.

The Camilla storage system is



TO GO with his Camilla storage (complete range drawn above), John Prizeman has designed a range of stunningly simple tiles. They are made from natural clay and have a lovely rough non-slip glaze. These designs all have that hand-made look as if each has been individually painted by hand. The range all links together so that any combinations of the tiles can be used together. The slightly sandy colour of the glaze can then be decorated with blue, red, dark green, light green or black or alternatively the tiles can be white printed with blue. The tiles themselves make the perfect working surface, though in the kitchens that John Prizeman designs, he always specifies a marble surface for rolling pastry and a wooden one for chopping (tiles tend to cause the knives to blunt).

The tiles, too, can be seen in the kitchen in situ at Coexistence, 2 Conduit Buildings, Floral Street, Covent Garden, London, W.C.2. They are made for John Prizeman by the



Kenneth Clark Pottery, 10a, Dryden Street, Covent Garden, London, W.C.2. and cost £17.50 per square yard or £20.83 per square metre.

Getting the Habitat

I ALWAYS know when summer's over and autumn begins—that's when the new Habitat catalogue is launched. This Saturday sees the new catalogue on sale in all Habitat stores, major stationers on it can be bought by post from P.O. Box 25, Hithercroft Road, Wallingford, Oxford for 50p. If people balk at paying 50p for what is, after all, a sales catalogue, they may do well to look at the number of colour photographs and then I think they will realise that 50p is not much.

I always like to keep Habitat catalogues, not just because I may actually use them for buying, but because they seem to sum up so much of the look and essence of a certain life-style.

This year's catalogue has much of the well-known Habitat merchandise—the simple sofas,

the country-style kitchenware, the rush matting, the bentwood chairs, the bistro glasses—that many of us have come to depend upon to furnish large portions of our houses. There is, however, a subtle change of tone or emphasis—I detect a slight waning of the tiny floral rustic prints and a shift to more graphic or geometric style well illustrated by the three items below. There is the new Graph bed linen which in turn complements the new lights (see the pendant light shade below), wallpaper and fabrics.

Lovers of Marimekko's inimitably colourful style will be happy to know that Habitat is reintroducing some of her designs, in particular the charming Happy Poppy bed linen.

Finally, for those who have mastered making their own bread and need new culinary fields to conquer, you can now buy your very own pasta maker. For £18.95 you can have freshly-made pasta every day—very good for the bank balance, not so good for the figure.

Service with a smile

IF YOU ask most buyers of week they launched what they call their "Buyer's Bond." Most frequent complaints are, I'm certain that you'd find that servicing was top of the list.

First, and most important, in my view, they will guarantee the servicing of any appliance bought in any of their stores for its whole working life. They hope that the manufacturer will do the servicing but if he should go out of business or fail to do it they offer a double interest to put potential customer's minds at rest so last use it themselves.

Autumn flavours

September brings mists and mellow fruitfulness. The vivid scarlet of summer strawberries and redcurrants gives way to more sombre hues. Green-gold and purple predominate: grapes, damsons, greengages, plums, melons, blackberries, aubergines, peppers and mushrooms are all at their best.

Suggested menus:

Mushroom cocottes	Hot ratatouille with
Boeuf à la mode	French bread
Courgettes and basil salad,	Raised chicken and ham pie
and French bread	Mixed green salad
Plum pie	Blackberry meringue.

MUSHROOM COCOTTES

This delicious and simple dish is really no more than creamed mushrooms on toast given a party face. The croûtons can be cooked ahead and kept warm in the oven; the mushrooms need to be cooked just before serving but this takes no more than ten minutes so it is a perfectly practical dish for entertaining.

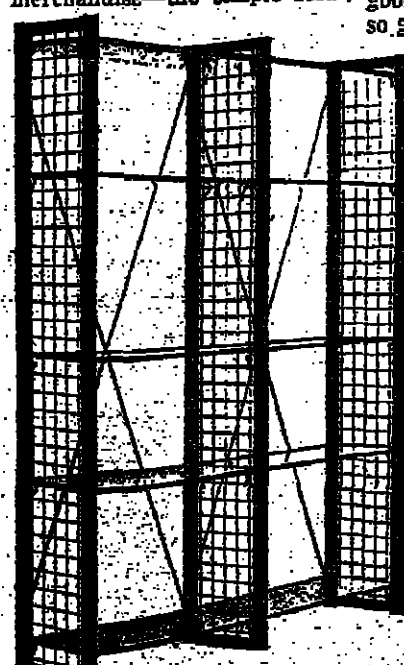
To serve 6-8, wipe 1 lb button or small cap mushrooms—don't peel them on any account or you will lose half the flavour—cook in about 2 oz foaming butter over medium-high heat for 5-7 minutes. Use a large immediately.

sauté pan so the mushrooms are as nearly as possible in a single layer and shake the pan party face. The croûtons can be cooked ahead and kept warm in the oven; the mushrooms need to be cooked just before serving but this takes no more than ten minutes so it is a perfectly practical dish for entertaining.

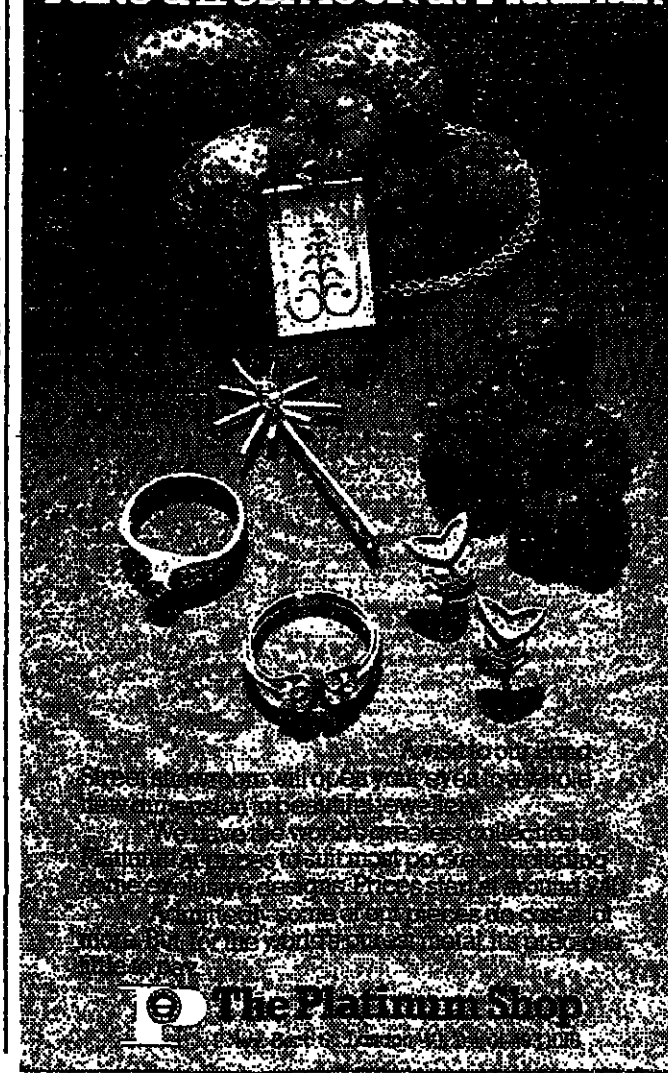
Courgettes make an excellent and unusual salad if the vegetables are young and tender. I cut them into slices about 1/2 in thick and steam them for five minutes—so they retain their colour and still have bite to them but are not too chewy.

COURGETTES AND BASIL SALAD

Cool for five minutes, turn into a bowl and sprinkle generously with fresh chopped basil. Pour on a little vinaigrette, toss and leave until cold. This salad keeps well for two to three days if covered and refrigerated so it is worth making quite a big batch while you are at it.



Take a fresh look at Platinum



Winding up the Fringe

bers with tremendous zest, and though it is a sinister thing that they should be so adept at imitating pop-singers behind microphones, which I suppose their generation believes is what sing-

B. A. YOUNG

She is the only one the chief loves, but not being his first wife, she has to be sent away when he is baptised. It is because she came back to him after, and had a son, that Livingstone turned Sechele away from communion.

Mr. Pownall turns the Tswana speech into fluent modern English, so that the subtleties of this fascinating relationship—Sechele seems to have loved Livingstone and his wife as much as he loved God—are presented clearly and comprehensibly. The acting

The Edinburgh Fringe is the title of a history of that extraordinary phenomenon by Alistair Moffat of the Fringe Society. It is a little weak on the early years (not enough references seems to have been made to Jim Haynes, perhaps because he was going round the world at the time), but becomes increasingly well documented as the years go by. It is published by Johnston and Bacon, which is part of Cassell's, at £5.95.

Charles Rennie Mackintosh

EDINBURGH
WILLIAM PACKER

thus neatly absolving herself from the charge of eliciting an even coherency from the mass of material. But her choice is never less than interesting, much of the work very good indeed, giving one Englishman, at least, a new view of the world. Mr. Art is distinctive and perfectly able to stand up on its own account, for all that it has been inclined to obscure itself in a proud and unnecessary provincialism: such artists as Mr. Eardley, Alan Davidson and Robert Colquhoun need no special pleading. James Cowie's work should be far better known than in fact it is, a considerable surprise.

We have known for some time that the work of the Glasgow School is being done in Scotland, and though it is swamped somewhat by all the painting, the examples of that Robert Breen has chosen to show here reinforce the point. Annie Yule, Bill Scott and James MacCallum are all worth noticing, rather more so than afraid, than my space allows.

And so at last to the private sector, to the Fine Art Society, which is showing a magnificent group of water-colours by Charles Christie, a schoolboy and a painter, a designer, and of national importance and real influence, but one long undervalued at home (even today his native city, Glasgow, appears to

he not content on saving major examples of his work, the interior of the Willow Tree Rooms on Sauchiehall Street. Mackintosh was, moreover, a bird so rare in modern times an architect who was also a true artist, and who was also a man that is shown to us in Edinburgh leaving aside a small group of decorative works that can only be called Glasgowian. Few, we see only his flower drawings and his landscapes, the flowers, too, pale and sensitive, and the landscapes decorative end, but remaining spare, direct and efficiently descriptive, the landscapes studies standing in the greater tradition of British topographical water-colour painting. His decorative matter is, however, his professional preoccupation, naturally enough, but never in a purely technical manner, rather he sees the architecture of living and working in and with the landscape, true to its situation, and in an unpositioned way, whether in Russianian detail, and in the earlier work, or later, or on a broader, bolder scale. These paintings reveal much about Mackintosh's creative sensibility, explaining why it is, though indirectly, that his architecture should remain so lively and influential, indeed so truly modern, all of fifty years after his death.



COLLECTING

JUNE FIELD

The woolly bruids first found their way into the Edwardian *Wassenaalia* scene through a cartoon by Clifford Berryman, who drew a picture in the *Washington Star* of November 1902 of Theodore Roosevelt refusing to shoot a small bear on a hunting expedition. The President had gone to settle a minor boundary dispute between Mississippi and its neighbour Louisiana, by drawing a line between the states. In the simple but his-

goric cartoon, the President, gun in hand, turned his back on the small bear, holding up his hand to indicate that he would not harm such a small, defenceless creature. The little bear became a symbolic signature for the President over the years, as well as the inspiration for a commercial venture.

The story goes that a Russian immigrant, Morris Michtom, pro-

CLUBS

prior of a small candy store Bare." The British version was in Brooklyn whose wife also that King Edward VII's friend

LEONARD BARDEN

As a bonus for this year's event, the number of competitors was expanded from eight to 10 so that the young contenders could meet veterans of the European circuit and the home players would have the chance to qualify for an international master norm. This proved an inspired innovation as the British champion, George

E. P. C. COTTER

N
 * Q 5 2
 * K 9 3
 * K 9 4
 * A Q 5 4
 W E
 * J 9 8 4 3 * K
 * Q 8 7 4 2 * J 6
 * 5 * Q 10 8 7 6 2
 * 9 8 * J 7 3 2
 S
 * A 10 7 6
 * A 10 5
 * A J 3
 * K 10 6
 With North-South vulnerable

North dealt and bid one club. East made a weak jump overall of two diamonds, which in my opinion has nothing to recommend it, and South made a Sprutuk double. To this North replied with two hearts, and South went straight to three no trumps.

West led the diamond singleton, which was taken by the Knave. With nine tricks on top, the declarer was on the look out for overtricks. In view of East's pre-emptive bid, which suggested shortage in the major suits, South cashed her Ace of spades, and was delighted to see the King fall on her right.

from the young British players: thus James Plaskett, at 18, defeated grandmaster Kraidman while Julian Hodgson, at 14, beat both Portuguese international masters.

However, the principal benefits of hard experience in such tournaments often come later: and it is significant that Speelman, Plaskett and Littlewood were all among the leaders in

Therefore, the declarer led the six of spades, West covered with the eight, and was allowed to win. Her switch to the nine of clubs made it easy for South, who proceeded to run off four tricks in the suit, discarding a heart from hand. At the same time West was forced to part with a spade and a heart.

Now the declarer cashed dummy's spade Queen—the Vienna Coup—followed by the King of diamonds, and a diamond to the Ace caught West in an automatic squeeze from which there was no escape. In actual play she unguarded hearts, and the declarer made Ace, King, and nine for a total of 12 tricks.

The second deal was rather an odd affair:

		N	
		♠ S 3	
		♥ 10 3	
		♦ A 9 6 2	
		♣ A K 9 8 3	
W		E	
♠ K Q 7 6 4 2	♠ —	♠ Q 7 2	
♥ J 8 5 4		♥ Q 10 4 3	
♦ J		♦ Q 10 6 4 2	
♣ J 5		♣ —	
		S	
		♠ A J 10 9 5	
		♥ A 9 6	
		♦ K 8 7 5	
		♣ 7	

Only in one respect was there a disappointment on the Robert Silk event: the daily publicity for the City of London Festival gave scarcely a mention. One hopes that the Festival authorities will do better for the 1980 tournament and encourage tourists and City chess enthusiasts to watch our leading young players in action.

South with his minimum passed. West bid two hearts, and North gave a conservative raise to two spades—South's bid of one spade, of course, showed a five-card suit—because he felt that East's double indicated a bad spade break.

North's bid was followed by three passes, and West correctly decided to lead the six of trumps.

Winning with the nine, the declarer crossed to dummy's club Ace, and led back the ten of hearts. East did not have the courage to follow with the two, but put up his Queen, and the declarer ducked. When the

diamond three was returned. South won with his King, cashed his Ace of hearts, and ruffed a heart on the table. He cashed the club King and led the three, which he ruffed with his ten of spades. West overruffing with the Queen.

To the ninth trick West led the heart Knave, which South ruffed with his five of spades, returning a low diamond. West, who had only trumps in his hand, had to ruff and return a spade, allowing South to make Ace and Knave. For making nine tricks, North-South received over 90 per cent of the match points.

POSITION No. 231
BLACK(12men)

Ribli v Timman, IBM Amsterdam 1978. A grandmaster miscalculation in this position decided first prize in one of the most important tournaments of the year. White (to move) is a doubled pawn up; should he play (a) 1 P-B6 or (b) 1 B-KN3?

PROBLEM No. 231

BLACK (11men)

WHITE (8 men)

White males in two moves, against any defence (by R. E. Burger, U.S.). The FIDE Problem Congress takes place in Canterbury this weekend, sponsored by Lloyds Bank whose chairman Sir Jeremy Morse is a well-known computer.

A principal event at the congress is the world problem-solving championship for teams of two, and today's problem comes from the tournament to select the England team. The two team members were the only competitors to find the answer in under five minutes—time your own solution for comparison.

Solutions, Page 12.

TV Top 20

U.S. TOP TEN (Nielsen Ratings)		
1	Three's Company (Comedy)	29.9
	(ABC)	
2	Quincy M.E. (Drama) (NBC)	27.9
3	Lavigne & Shirley (Comedy)	27.8
	(ABC)	
4	Cartoon Country (Comedy) (ABC)	23.8
	M.A.S.H. (Comedy)	22.0
5	Alice (Comedy) (CBS)	22.0
6	Rockford Files (Drama) (NBC)	21.4
7	One Day at a Time (Comedy)	20.7
	(CBS)	
8	Starkey & Hutch (Drama) (ABC)	19.7
9	All in the Family (comedy)	19.7
	(CBS)	
A Nielsen rating is not a commercial total.		

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF

Telephone: 01-245 5000

Saturday September 2 1978

Something stirring

THE MARKET has now been sunk in torpor for two weeks, with prices drifting down in very light trading—a combination of election uncertainty, post-holiday indecision, and a pretty flat economic outlook. However, it would be a mistake to assume that because there are few obvious dramas in progress, nothing is changing. On the contrary, three very significant developments are becoming apparent. First, home industry is beginning to feel the benefit of the large rise in retail sales which has gone on through the summer. Second, there has been a marked change of international strategy in the exchange markets. Thirdly, UK management is beginning to square up to disorder on the shop floor.

None of these developments is easy to interpret, but perhaps the rise in output which has been reported by the Confederation of British Industry has the clearest meaning. Such is the general reluctance to believe that anything good ever happens in the UK economy that some market men have already commented that industry seems to be getting on to the bus just as it is stopping. While it is true that the effect of higher demand has taken a distressingly long time to work through to the factories, this is pessimism for its own sake.

A high level

First, while it is true that the sharp rate of increase in consumer sales cannot be sustained for long, they should remain at the present higher level, and indeed go on rising more gently for the foreseeable future. This is what matters for output; for it seems likely that the cause of the delay can be read in the unexpectedly high level of stocks—especially retail stocks—which have been reported through the summer.

If this analysis is correct, and the sluggish response of orders has been as much due to goods in the pipeline as to a surge of successful import competition, then the rise in output, though not dramatic, should be sustained, and this would clearly be good news. It promises productivity higher than could otherwise be achieved; this could mean not only less inflation, but consequently rather higher demand in real terms than has been forecast.

These effects are not likely to be dramatic, but even a rise in output and productivity of a single percentage point above recent forecasts would improve the growth rate very significantly. The drama surrounding the

dollar is much more difficult to interpret. The only clear facts are that the fluctuations of the dollar in recent weeks have been partly due to the absence of the very heavy central bank support which was provided earlier in the year—a distinct policy change which probably originates from the July economic summit. The second striking fact is that the pressures, though sudden, have not snowballed into a market crisis. Without a supply of central bank finance, speculation seems to have been contained.

There is also one clear conclusion which can be drawn: if the U.S. is thrown back on its own resources to defend the dollar, interest rates in New York are likely to rise, a process which has already begun. This prospect has already depressed Wall Street and short-dated gilts in London.

Weaker link

However, the reaction in London may be a habitual twitch from the past. When exchange rates were fixed, or intervention was heavy, there was a close relation between interest rates in different markets; but in theory, a nearly clear floor should weaken this link if exchange rates are allowed to move more or less freely. Interest rate policy can be based on home conditions; and home conditions, according to leading bankers in London, probably promise a drift down in interest rates.

It remains to be seen, of course, how far this relationship works out in practice how quickly the U.S. authorities respond to the challenge which self-sufficiency in financial terms poses to them, and how trade responds to exchange rate changes which are likely to be sharper from day to day (though possibly less dramatic from month to month) than in the past. This, unlike the rise in home output, is a highly ambiguous development, but it is a significant change whose consequences need to be watched.

Finally, there are the first signs of resistance to unruly elements on the shop floor. This week has seen the tough remarks of Mr. Michael Edwards and the refusal of Leyland to re-open its Bathgate plant until some better rules are agreed, and the blunt refusal of the chairman of Peugeot to offer any job guarantees for Chrysler UK unrelated to productive performance. In the short run, such a change of attitudes threatens disruption; in the long run, it could prove cheap at the price.

New broom in U.S. flying: thoughts of chairman Kahn

BY DAVID BUCHAN IN WASHINGTON

THE LAST merger that the Civil Aeronautics Board, the body that regulates the U.S. airline industry, had to pronounce upon was six years ago. Now Mr. Alfred Kahn, chairman of the CAB, suddenly has three major merger proposals on his desk: that between North Central and Southern Airlines, and the rival bids of Texas International (TXI) and Pan American for National Airlines. Despite National's preference, announced yesterday, for Pan Am rather than TXI as a prospective partner, the bids have equal standing in the CAB's eyes. Two other airlines, Continental and Western, also announced yesterday their intention to join hands. To Mr. Kahn, this spate of proposed mergers is clearly the airlines' defensive response to his moves to "turn this no-longer infant industry out of its hot house of government protection and coddling, and into the fresh air of free competitive enterprise."

In allowing both TXI and Pan Am to buy up to 35 per cent of National's stock, before their bids have been ruled on, the CAB is not pre-judging the outcome. Both airlines could be forced to divest themselves of their National holdings, should the board rule against them. Yesterday the Department of Justice said that it had filed a petition to intervene in the three merger cases before the CAB. Although the Department has not reached any conclusions on the proposed transactions, it is concerned about their possible anti-competitive effects.

Big jump in profits

Many but not all U.S. airlines fear the chill wind that Mr. Kahn is arousing. In fact, none of the airlines involved in the current merger proposals is ailing financially. Every major U.S. airline, except for Northwest, hit by a prolonged pilots' strike recently, reported a big jump in profits in the second quarter of this year. Mr. Kahn reckons that industry profits—a record U.S.\$8.11m last year—should be U.S.\$7.00m-U.S.\$8.00m in 1978. But the CAB, which for the first 37-odd years of its existence held the industry's hand and warded off unwelcome competition, has in the past two or three years moved far to encourage lower fares, to egg the airlines on to invade each other's traditional routes and to liberalise charter flight rules. Hence many airlines now obviously see their future safety in closer combinations.

The immediate reaction of Mr. Kahn, who since he came to the CAB in June 1977 has stood the board's role on its head, is that the proposed mergers are a clear threat to existing and potential competition. He argues that the CAB awarded National its Miami

London route in 1969 precisely so that it could compete with Pan Am's transatlantic axis from New York. He points out that National is at present an applicant for the New York-Amsterdam route, where the only incumbent American airline at the moment is Pan Am. North Central and Southern are competing with each other for some 30 domestic route awards, and Mr. Kahn says that under his guidance the Board would almost certainly be disposed to allow that competition.

The merger proposals come at a

formidable figure. He is the first economist to head the CAB since its creation in 1938, and has brought to the Board a crusading zeal for the welfare of the air traveller together with sharply defined theoretical and practical views on how industries should and should not be regulated. No wonder, then, that Mr. Kahn, who published a two-volume work on The Economics of Regulation in 1970 while he was still an economics professor at Cornell University (where he says he will return if things

in three areas—domestic

of 15 U.S. cities—Oakland was chosen because it is an under-used airport. The case is still in progress, but the CAB hopes it will set a valuable precedent.

Mr. Kahn rejects fears expressed by many airlines that greater competition will prove destructive. "I find rather implausible the image of countless airlines throwing money into markets already adequately served simply because there is no CAB to stop them," he says. However, this fear is also shared by the Airline Pilots Association, which argues that greater competition will endanger safety rules (which are enforced by the Federal Aviation Authority). The emergence of a number of financially shaky and over-extended airline companies, the association maintains, will not necessarily increase long-term employment for its members.

The corollary to allowing airlines more freedom to start up new services is also giving them more leeway to end existing services. But Mr. Kahn argues that small commuter carriers, not licensed by the CAB, will move in if the scheduled airlines abandon some of the low-volume routes, while the federal government will continue to subsidise services to the smaller towns.

As for charters, the CAB earlier this month passed a series of regulations that make rules for charters really very little different from those for scheduled flights. Designed to help the charter carriers compete with the new wave of discount scheduled fares, the new rules do not require any minimum stay from the passengers, or group size, or an advance purchase period.

The basic Kahn philosophy is that there is no earthly reason why the CAB (whose board members earn much less than top airline executives) should do so much of the industry's management for it. Less regulation will mean less paperwork for the airlines and greater scope for them to plan their operations more efficiently and more economically. "I would have the board out of both the licensing and pricing business. After all, no one needs a government licence to make shoes or steel."

These functions have been really the board's *raison d'être*. But Mr. Kahn sees residual roles for the CAB: undertaking litigation in the courts, administering the federal subsidies for uneconomic services to isolated parts of the country (\$75m paid out last year for this), consumer protection, anti-trust enforcement, and a role in international negotiations.

He argues that "the more you dispense with regulation, the more you need to enforce anti-trust considerations." This, he says, is all the more necessary because the system of CAB regulation has been fundamentally in conflict with anti-trust laws. The CAB has tradition-

Deregulation prospects

There is a good chance that Congress will pass a deregulation bill by the end of the year, in spite of the reservations of many house members who fear its effect on services to small communities in their congressional districts. Mr. Kahn sees deregulation for two reasons. First, "it will remove what we have been doing on our own." The CAB is not unmindful that many of its recent actions could be challenged in the courts. Second, Mr. Kahn wants to ensure a broad legal framework for deregulation that would outlast his tenure at the CAB. Otherwise, a new chairman appointed by a different President could easily reverse the Kahn reforms.

But for the time being at least, deregulation is all the rage at the CAB. With another retirement of a CAB board member expected shortly, it is considered likely that by the start of next year President Carter could have as many as four of his appointees on the board.

Some airlines are learning to live with the new era. The initial, almost monolithic opposition to the CAB reforms has begun to break up. Mr. Kahn says that while some airlines, such as National and TWA (along with the foreign airlines), still remain hostile to what he is doing, others, notably United Airlines which, with its vast domestic base, stands to gain from more competition, now openly support him.



Mr. Alfred Kahn (left), the CAB's chairman, who has taken the stand that it is now time for government coddling of the airlines to end. Mr. William Seawell, Pan Am's president (right), has been pressing the case for a merger with National.

a bad time for Mr. Kahn, just when his push for more competition in the industry was getting under way. He certainly does not want any more formal merger plans to cope with, and in that context his remarks should be seen as an unsuccessful attempt to discourage the discussions between Continental and Western and any others who might be thinking along the same lines. It cannot be assumed that the rulings on the three cases in hand, which the CAB hopes to issue by next March, will go against the bidding airlines. Mr. Kahn, whose influence on his five-member Board is considerable, says: "If for one I insist that the merging parties argue the merits of their case, I am very persuasively that the mergers will bring substantial benefits." Pan Am's president, Mr. William Seawell, sought to do precisely that last week before a Senate Aviation subcommittee. He argued that more efficient links between his own airline's international routes and National's wide domestic network in the South could well lead to lower fares, something close to Mr. Kahn's heart. The CAB has in the recent past been sympathetic to Pan Am's complaint that it is being squeezed out of many international routes with no proper home base to fall back on. But Mr. Seawell said the airline simply cannot afford to wait for the CAB to hand it domestic routes piecemeal.

The airlines face in Mr. Kahn

get too hot for him in Washington, has also served on regulatory commissions for New York utility companies. His views on the airline industry square closely with those of President Carter, who has in broader terms argued that air deregulation is a valuable part of his anti-inflation policy. In fact, moves towards deregulation were cautiously started under President Ford's choice as CAB chairman, Mr. John Robinson. But Mr. Robinson was not prepared to move ahead of Congress in this field. As a result the reforms he proposed got almost nowhere.

It was probably fortunate for the British government that Mr. Kahn did not come to the CAB, which also regulates the conditions under which foreign carriers enter the U.S., before last June. In that month the second Bermuda air service agreement between the U.S. and the UK was signed. Mr. Kahn therefore had very little influence on the U.S. position in those negotiations. But he—indeed others in the Administration and Congress—regards Bermuda II as excessively restrictive on questions of limiting capacity and routes, and out of line with the Carter Administration's new international aviation policy.

Mr. Kahn says that his main concern now is to prevent Britain from making "un-Mr. Kahn" proposals in late negotiations of Bermuda II. CAB so desires to fly to Oakland officials claim that the Board Airport in California from any

Letters to the Editor

One man's meat . . .

From Councillor Peter Croft

Sir—The letter from the Director-General of the National Chamber of Trade, opposing Sunday trading (August 31) is one of the nastiest pieces of economic Liberalism to appear in your paper lately. What purpose could be served by consulting his members, as he wishes, beyond assisting them to impose their views on the minority that may be willing to open on Sundays? And if the restrictions were abolished, what damage would be done by one of them beyond the normal economic penalties for slackness and failure to meet demand? If they do not wish to open on Sundays, they need not do so. If they do wish, and customers are willing to patronise them, it is not for the Government, the local authority, the church, or Mr. Seery's association to stand in their way. P. Croft, Town Hall, Ealing, W3.

. . . another's pois(s)on

From the Press Officer, National Federation of Meat Traders

Sir—Despite the anomalies in current Sunday trading legislation, there can be no logical argument for any extension of Sunday trading in the food sector. It is intolerable in a society wherein the majority enjoy increasingly lengthy holidays, unions are seeking an ever shorter working week, and the welfare bloc is buying itself with better utilisation of leisure, that any sector should be expected to sacrifice its only "day off" for no valid reason. There can be very few families in the UK which cannot conveniently do their shopping during the 50-odd hours spread over six weekdays, and it is surely absurd to devise legislation which would work hours in which already work long hours in addition yet more every week, a situation which would seriously affect smaller businesses particularly. The absurdity would be that no more would be sold, similar sales would merely be spread Salisbury, Wilt.

over seven days and if large organisations employ staff for Sunday trading, the consumer will have to pay. So with the tax payer! If, indeed, shops, stalls and markets open for an extra day, public authorities, trading standards officers and presumably other consumer protection officials will need reinforcement to police their satisfaction, at public expense. The vast majority of customers, particularly those who favour traditional tradesmen, genuinely want them to enjoy what leisure time remains after their have completed their governmental work of form filling for PAYE, NIS, VAT, outer aid. L. A. T. Moss, 29, Linkfield Lane, Redhill, Surrey.

Tenant farmers

From the managing director, Fountain Farming

Sir—Mr. J. P. Pickering (August 31) once again muddies the stream by deliberately confusing the hopes and expectations of landowners with the justifiable economic needs of tenant farmers. The tenant farmer, like every other businessman, is seeking a fair return on his investment (which does not, of course, include the value of the land on which he operates). This certainly will not be achieved under the current system of operation of the Green Pound.

The consumer appears able to tolerate and accept price increases, albeit reluctantly, at least in line with inflation, in respect of the majority of his purchases but not where it concerns food. Mr. Pickering points out quite rightly, that "the role of farming is to serve the public" but surely even he, as a practising farmer, expects a fair reward for such service. My letter (August 24) to which Mr. Pickering objects, suggested that the answer must lie in increasing the productivity and efficiency of industry so that higher wages can be earned. Anthony Rosen, Moor Hatches, West Amesbury, Wilt.

A ditch in time

From Mr. J. H. Millar

Sir—You published on August 24 a letter from Mrs. R. Epps on hedging and ditching. You may be glad to hear that in the United States a man was watching a large road-making machine, which was digging up a road at one end and re-surfacing the road at the other. It was driven by one man.

The bystander approached the

foreman and said: "Why, in view of the large numbers of unemployed, do you use such a large labour-saving machine?" The foreman's answer is a classic. He said: "Why, bless you, sir! I could put hundreds of men to work digging up the road with teaspoons, but the taxpayers would not go for it." J. H. Millar, 49, Avenue Hector Otto, Monaco.

From Mr. N. J. Hewer.

Sir—While acknowledging and appreciating the sentiments expressed by your correspondent Mrs. R. Epps on August 24, a story which my father used to tell came to mind: Three men were watching an excavator—a new invention at the time—digging foundations for a housing site. "That's progress," said the first. "No it's not," said the second. "That machine could employ hundreds of men using shovels to do the job." "Or perhaps millions of men using teaspoons?" inquired the third. N. J. Hewer, 9, Hanbury Close, Bromsgrove, Worcs.

Power to your elbow

From Dr. M. J. Brown

Sir—I often enjoy Arthur Hellyer's knowledgeable gardening articles, but I do wish that he would be more restrained in his advocacy of power tools, particularly when these are noisy and dangerous. The loss of rural peace to motor transport and other "joys of modern living" is bad enough, but each week-end the

general becomes the particular when neighbouring motor mowers, etc., begin their cacophonous noise movement.

There is convincing evidence that most of us take too little exercise for our own good, but we still allow ourselves to be brainwashed by manufacturers into seeking powered aid wherever possible. Often, though, the answer to the task is rendered less pleasant and garden tools, particularly, ensure a regular supply of hand and foot injuries. Clearly such tools must not be universally condemned and to the ageing and infirm can mean the difference between coping with a beloved garden and falling to do so. What I deplore is the oft-repeated sight of a young person using a powered machine to cut but a few square yards of grass. The answer to grass control is the Ginje—this lightweight side-wheel 16-inch cut machine can be pushed by a child, and lawns up to half an acre can be cut as rapidly as by a motorised machine. It cuts stalks that front roller mowers leave, has no exhaust fumes and maintenance problems are minimal. Weedcutters, and their vicious attachments, are in my opinion, little more than dangerous gimmicks. Leave your power tools in the shed and you might soon become fit enough to use a bicycle instead of a motor car for short journeys—but that's a different story. M. J. Brown, 40, Hill Road, Watlington, Oxford.

Will not give all the figures here, but the following averages for the sectors considered illustrates my point. (Income + Capital Gain) -5 Building societies . . . £11.3 Shares . . . £106.0 (Income) unit trusts . . . £22.6 Investment trusts . . . £35.7 So the answer to the concluding question in the article "And consider: had you needed every last penny from your building society investment at the start of 1973, where on earth would you be by now?" is better off. Calculations of this sort always depend very much on the period considered, but 1973 to 1977 would tend to favour equities compared with say a five year period from 1972 to 1976. And the calculations would show equities, including unit and investment trusts, in an even worse light if allowance had been made for the withdrawal of capital to supplement income or the saving of building society income to build capital.

The only thing that has saved me from being a seller of equities and an investor in building societies as a result of Adrienne Gleeson's article is that the numbers are different again for higher rate equities. Although, in truth, equities are just more interesting! S. B. Reed, 15a, Hamilton Court, 8, Po Shun Road, Hong Kong.

Cakes and hygiene

From Mr. Adrian P. Lamb

Sir—Having seen how carefully and hygienically our cheese, for example, is now presented to us (in most places at least), it strikes me as appalling that confectionery and sweetstuffs should be carried on uncovered trays from a busy, dusty street into the shop where they are then displayed without cover. Furthermore, in the vast majority of shops the cakes, etc., are lovingly handled by an assistant who then handles the money. The people who insist we have made progress should take a look at the above. Adrian T. Lamb, 44, Portland Road, Stonecote, Leicester.

fully and hygienically our cheese, for example, is now presented to us (in most places at least), it strikes me as appalling that confectionery and sweetstuffs should be carried on uncovered trays from a busy, dusty street into the shop where they are then displayed without cover. Furthermore, in the vast majority of shops the cakes, etc., are lovingly handled by an assistant who then handles the money. The people who insist we have made progress should take a look at the above. Adrian T. Lamb, 44, Portland Road, Stonecote, Leicester.

A noisy drain

From Mr. Colin Franklin.

Sir—Passengers going home via "The Drain" (Waterloo-City Line) are now being assailed by a stentorian voice, fully amplified by loudspeaker, instructing us to "Hurry along please," "Move down the car" and to "Affix the doors," etc. As it is inconceivable that any of us willingly delays our departure one minute longer than is necessary, would it not be possible to dispose with this unwanted and very noisy advice, which is falling on increasingly deafened ears? It might even go a little way towards alleviating the staff shortage elsewhere, which seems to be BR's current excuse for bad service. Colin Franklin, 1, Moorcroft, EC2.

A verse aversion

From Ms. Marjorie Crocker

Sir—May I, through your kind agency, address the following to one of your correspondents (August 26)?

I thought, Mr. Campion Your poem was champion. But intrigued much I was, and this is because. It was set out as prose. Is obvious verse too terse, Or rhyme too sublime for the Financial Times? Marjorie Crocker, 70, Townsend Lane, Harpenden, Herts.

From Mr. Norman Frisby.

Sir—Poor Mr. Campion's clever letter! Seems to have rather got the better Of subs on the Financial Times. Who don't it seem—know prose from rhyme. "Letter headed 'Secretaries,'" August 26, Norman Frisby, 6, Lowerfold Way, Sharncliffe Park, Rochdale, Lancs.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

A last-minute rush of acceptances and strategic buying by Associated Engineering in its efforts to take over Fluidrive Engineering for £8.3m. Associated Engineering has controls more than 50 per cent of Fluidrive and has declared its offer unconditional. The statement followed the final closing of the offer on August 25 and came less than a week after Thomas Tilling, the rival bidder, indicated it was withdrawing its £5.5m share-exchange offer. Tilling accepted defeat and has returned all acceptances to its offer.

Burmah Oil is selling all its remaining oil and exploration production interests in Australia in a deal worth £28.8m. The sale takes in the group's shareholdings in three quoted Australian companies engaged in the Cooper Basin, South Australia. Burmah's interests are being bought out by a group headed by Bond Corporation and Endeavour Resources.

The battle for control of Trident Group Printers, the newspaper and newspaper publishing group based in Surrey, intensified last week. Starwest Investments Holdings, a private company headed by Trident's chairman Mr. Remo Dipre, has stepped up its offer from 69p to 80p per share, and met instant rejection from the independent directors on the grounds that the revised offer was still inadequate. The directors' rejection of the first offer, in which they claimed support of 60 per cent of the shareholders, was based on the fact that Trident had entered a recovery phase and its prospects far outweighed the bid. The situation was further complicated by Thursday's announcement that talks are currently taking place which could lead to another offer for Trident being made with the blessing of the company's independent directors.

A group of small shareholders in Oliver Rix is mustering opposition to the proposed merger with Manchester Garages. Mr. Harry Wakeley of Blackwood in Gwent, who is leading the opposition, last weekend circularised shareholders owning 10,000 or

more shares and now claims verbal support for his attempt to defeat the proposed merger from shareholders representing nearly 10 per cent of the equity.

Dixon's Photographic has pulled out of its £18m retail business in Holland and Belgium with the admission that the operation had not produced a reasonable return and that profitability was worsening. The company has sold the entire Dutch subsidiary, which ran 64 shops in Holland and a further 10 concessions in Belgium, to Holland's largest retail chain, Vroom and Dreesmann Nederland. V and D is paying £2.83m for the Dutch chain and will assume responsibility for loan capital of £2.9m owed by the subsidiary of the group.

A near-30 per cent stake in Nelson David, the Welsh-based motor distributor, has been acquired by Convey, a new private company.

Company bid for	Value of bid per share**	Market price**	Price before bid bid (£m)***	Value bid (£m)***	Bidder	Final Acct'd date
Prices in pence unless otherwise indicated.						
Bonsor Eng. Cornercroft	43*	42	36	2.58	Kaye Organ.	—
	65*	65	56	1.62	Armstrong Equipment	—
Crosley Building Products	105*	104	64	7.07	Bowater	—
Eastwood (J.E.)	21*	16	194	1.10	Mooloya Inv.	—
Eastwood (J.E.)	132*	142	90	51.33	Cargill	—
Eastwood (J.E.)	180*	142	125	38.22	Imperial Grp.	15.9
Fluvidrive Eng.	92	90	92	6.32	Assord. Eng.	—
Henshall (W.)	20*	20	19	0.30	Borbourne	—
Lyons (J.)	134	132	87	60.32	Allied Brews.	—
Orme Derpits	304.85	321	48	10.20	Cumbe Grp.	—
Pearson Longman	204.85	235	194	108.35	S. Pearson	—
Tebdly Minerals	72	68	73	2.15	South Croft	—
Trident Group Printers	80*	80.1	53	3.30	Starwest Inv.	—
Wades Deptmt. Stores	102*	98	63	2.11	Assoc. Dairies	—
Wades Deptmt. Stores N/V A	98*	96	60	3.36	Assoc. Dairies	—

UNIT TRUSTS

Preaching the virtues of varied markets

Chief Investment Managers celebrated their second birthday this week with the launch of another fund. This, the fifth in Chief's stable, looks at first sight to be something of a throwback to an earlier and less highly specialised age, for it is called Chief's Income and Growth. In fact the thinking behind it is sharper than the title would indicate.

Chief's Income argues that its very successful High Income Fund has, perhaps, to invest in the shares of a relatively limited range of companies; and that while these companies offer an impressive level of immediate income, it is not necessarily a level that will rise.

By lowering the yield threshold somewhat—the new fund is expected to yield 7.5 per cent—they argue that the range of shares from which a choice can be made will be considerably extended, providing the opportunity to pick shares which will provide more rapidly increasing income.

Not that the new fund is to concentrate on growth in income alone: growth in capital is an object too. Whether the two can be comfortably reconciled really is to be seen. It has to be said that most of the successful performers of recent years have not attempted it—though they have achieved it—adventurously (in the case of some of the high income funds).

One of the most successful of growth funds, M and G's Recovery Fund, has never made any serious attempt to produce an income worth having, and at the moment it yields only just over 4 per cent. An undiluted concentration on recovery stocks has nevertheless served investors in this fund extremely well.

For those who are more interested in income now, Arbutnot is this week drawing attention to the units in which are selling at an estimated current gross yield of 11.5 per cent. With 60 per cent of the portfolio invested in equities there is provision for some income growth in this, the biggest of the funds that came under Arbutnot's management when they took over Freddie Lawson's stable of trusts a couple of months back.

Arbutnot's growth alternative this week is its Far Eastern and International Fund, whose portfolio reflects that bullishness about Hong Kong which we discuss more fully on page 7. In fact the managers have taken heavy profits in the U.S. and moved the money to Hong Kong, within the last two weeks. The portfolio is now 38 per cent invested in the "States and 10 per cent in Hong Kong; so if the Hang Seng carries on up this trust is going to be a striking beneficiary.

There is an interesting spread of views at the moment about the virtues of a relatively limited range of markets. In fact, of the other two trusts on offer this week, one—Save and Prosper's United States Growth Fund—is preaching the long-term virtues of investment on the other side of the Atlantic (its managers say that companies in the U.S. are still undervalued in terms of earnings and assets), while the managers of the other, Barclays Unicorn Australia, point out that if Australian shares were a good buy before the recent budget, they have become a very much better buy since.

First half loss for Inch Kenneth

AFTER ESTATE and overhead expenses of £1,330,001 the taxable loss for Inch Kenneth Rubber was £75,777 in the June 30, 1978, half year. Last time there was a £72,711 profit.

Directors say the figures include unusual expenditure covering the transfer of the company's residence to Malaysia and therefore are not indicative of the anticipated results for the full year. A 1p gross interim dividend is to be paid in lieu of last year's final because of the Malaysian tax position, and when directors can raise a relief forecast for the 1978 profit and the tax liability for 1979 they will consider payment of a further interim dividend for 1978.

Sentinel Ins. growth

Yearly premium income of Sentinel Insurance rose by 88 per cent in the year to the end of March, says chairman Mr. C. J. Ertiger in his annual report. New annual premiums amounted to £301,000 (£160,000 in 1976), bringing total yearly premium income to £1,422m.

Even though the life assets invested in equities almost doubled to £2.72m, the rate of business earned on the insurance fund during the year amounted to 12.64 per cent, which the chairman describes as "very satisfactory."

MIDLAND BANK STATISTICS

Statistics compiled by Midland Bank show that the most of "new money" raised in the UK by the issue of marketable securities in August was £64.8m, a considerable drop on the July total of £183.5m.

In the first eight months of this year £38.6m has been raised compared with £94.8m in the same period of 1977.

Over two-thirds of the August total was accounted for by public bodies.

Company bid for	Value of bid per share**	Market price**	Price bid (£m)***	Value bid (£m)***	Final Acct'd date
Weston-Evans	124*	156	110	8.4	Bham & Midland Counties Tst. —
Weston-Evans	136	156	133	8.4	Johnson and Smith —

* All cash offer. * Cash alternative. * Partial bid. * For capital not already held. * Combined market capitalisation. * Date on which scheme is expected to become operative. ** Based on 21.8.78. ** At suspension. ** Estimated. ** Shares and cash. ** Based on 1.9.78.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Abwood Machines	Mar. 31	42	(18)	1.0
Centromet	Mar. 25	261L	(259)	(21)
Croch Group	Mar. 31	449	(406)	5.6
Francis (G.R.)	Mar. 31	229	(241)	3.2
Fraser Anshacher	Mar. 31	14	(112)L	(1)
Grippeides Hldgs.	Apr. 30	373	(229)	12.3
Linford	Apr. 29	5,160	(5,810)	24.8
Mills & Allen	June 30	4,973	(2,625)	37.3
Stoddard Hldgs.	May 31	708	(1,671)	4.4
Sobranie Hldgs.	Feb. 28	64	(117)	1.4

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Arnoff	July 8	722	(608)	5.0
BEA Group	June 30	3,710	(3,120)	8.578
Boustead	June 30	14,210	(12,230)	0.7
Brammer (H.)	June 30	2,330	(2,000)	1.8
Bridgeway Est.	June 30	473	(397)	4.5
Brunnells Arrowstone	June 30	38L	(2,339)L	NH
Cement Roadstone	July 12	8,930	(6,620)	1.32
Church & Co.	June 30	1,050	(1,050)	1.0
Fairclough Constn.	June 30	3,601	(2,636)	1.5

APPOINTMENTS

Showerings Vine Products Board post

Mr. D. S. Todd has been appointed a director of the SHOWERINGS VINE PRODUCTS AND WOODS ORGANISATION. Mrs. WHITEHEAD, a member of the Allied Breweries Group, Mr. Todd is chief executive of Vine Products, of Kingston Upon Thames.

Mr. John Doran, executive director, materials management, DOWTY MINING EQUIPMENT, has been appointed commercial director of that company.

Mr. Ronald E. Cash, previously administrative manager of the NATIONAL ASSOCIATION OF STEEL STOCKHOLDERS, has been appointed secretary.

Mr. L. M. Jarman has joined the Board of NORTH BROKEN HILL HOLDINGS as a non-executive director. He is at present managing director of Dunlop Australia.

Mr. R. J. L. Bramble is to take over as chairman of CHANDLER HARGREAVES WHITALL AND CO. on January 1 in place of Mr. A. J. Tennant, who is retiring from that position at the end of this year but will remain a non-executive director. Mr. Tennant will also become chairman of Chandler Hargreaves Whittall (Underwriting Agencies) on January 1.

Mr. G. A. Greenough, Mr. H. A. Thomas and Mr. R. J. Warburton

have been appointed non-executive directors of the LITTLE WOODS ORGANISATION. Mrs. E. Bryce, Mr. M. A. Jarvis and Mr. A. W. Ralley have been made divisional directors.

Mr. J. R. Byas has been appointed sales director and Mr. I. O'Connell, director, product development, of PROCTER AND GAMBLE. They succeed Mr. R. W. Francis and Mr. D. A. DeLaHunt, who are taking up positions with Procter and Gamble in the U.S.

Mr. Brian Gull, northern area manager of GUYLER BUCKLEY CONSTRUCTION, has been appointed a director of the company.

Mr. Robin Smith has been appointed to the Board of S. G. SELL AND SONS with special responsibility for business planning and finance. He is at present commercial financial controller for the engineering and foundries division of the B. Elliott Group, of which Russell is a member. He is also acting managing director of Adams Bros. and Burnley, another member firm.

Mr. T. L. F. Royle, chairman of Hogg Robinson Limited, part of the Hogg Robinson Group, has been appointed chairman of HOGG ROBINSON (SCOTLAND).

Company	Half-year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
First Castle Secs.	Aug. 5	103	(45)	1.005
KCA Int'l.	June 30	1,406	(636)	NH
Ladbroke	July 4	13,800	(10,930)	3.5
Levell (G.F.)	Apr. 29	118	(62)	2.9
Macfarlane Group	June 30	527	(304)	2.1
Witvroux Wrightson	June 30	4,770	(3,382)	3.395
Misconere	May 31	626	(476)	1.428
Nu-Swift	June 30	531	(514)	0.725
Pearl Assurance	June 30	1,170L	(220)L	3.83
Queens Meat Hses.	July 16	156	(101)	0.25
Quick (H. and J.)	June 30	869	(430)	0.88
Robinson (Thos.)	June 30	391	(1364)	0.806
Scott Agriculture	June 30	1,100	(2,000)	3.0
Sinclair Estates	June 30	5,700	(3,146)	1.0
Small & Tidman	June 30	127	(17)L	1.1
Thurgar Baxley	June 17	323	(54)	0.3
Weir Group	July 23	4,520	(4,330)	1.864

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. * Gross. * Loss.

Offers for sale, placings and introductions

Treasury Stock: 267.38m 93 per cent Treasury Stock 1981.

Scrip Issues

Marshall's Halifax: One 10 per cent Cumulative Preference for six Ordinary.

Warren Plantations: One-for-one.

Rights Issues

ETR: One-for-seven at 25p.

Dorada: One-for-three at 65p.

Howden Group: One-for-four at 65p.

Initial Services: One-for-four at 74p.

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Our enthusiasm for investing down-under was reinforced a week or two ago when the Australian Budget was announced. It sets out to cut back inflation and to boost company profits. The mining and energy sectors in particular stand to gain from the new measures.

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And as the largest unit trust specialising in Australia, the prospects for Unicorn Australia look just as rosy.

The trust's aim is to obtain long term capital growth by investing in a spread of Australian companies and some British companies with Australian interests. Mining and energy-related stocks make up the bulk of the portfolio.

Its performance over the first seven months of this year has pushed it into 11th place out of 355 unit trusts, according to Planned Savings Magazine.

So perhaps it's time you began to exploit your own resources a little more vigorously.

You can invest in Unicorn Australia Trust with a

lump sum of £250 or more. Or, if you wish to invest on a regular basis with tax relief, you can make a monthly payment of £10.30 or more. Please fill in the subscription form below.

You should remember that the price of units and the income from them can go down as well as up. You should regard your investment as long term.

There are two types of unit:

Income Units: distributions are paid half yearly on 1st February and 1st August after tax at the basic rate.

Accumulation Units: the after-tax income attributed to these units is automatically retained within the Trust to increase their value. As there is no initial service charge when income is re-invested this way it provides an economical method of investing.

The price difference reflects the accumulated income.

The offer prices which can change daily, were 84.9p per accumulation unit and 66.9p per income unit on 1st September, 1978 with an estimated gross yield of 1.68% p.a. The first payment to new investors in income units will be on 1st February, 1979.

Any branch of Barclays Bank can give further information and advice.

Prices and yield appear daily in the Financial Times and other national newspapers. The offer prices include the initial management charge of 5%, and there is a half-yearly charge of 1% plus VAT. Commission at 1% is paid to authorised agents, but not in respect of Barclaycard purchases. You can sell back units on any business day at the bid price ruling when your instructions arrive. Payment will normally be made within seven days of receipt of the renounced certificates. Managers: Barclays Unicorn Australia Trust, Member of the Unit Trust Association. Trustees: Royal Exchange Assurance.

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Signed _____

Date _____

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Narrow gains on Wall St.

INVESTMENT DOLLAR PREMIUM
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NARROW GAINS were in the majority in moderately active trading on Wall Street yesterday, prior to the Labor Day holiday on Monday.

The Dow Industrial Average gained 2.31 to 879.23, reducing its loss on the week to 16.20. The NYSE All Company Index, at 338.54, rose 18 cents on the day but was still 88 cents on the week, while the S&P 500 rose 0.25 to 333.75, trading volume expanded 1,260 shares to 33,110.

There was also some encouragement from the drop in money supply figures released on Thursday which could ease pressure on the Federal Reserve for any

FRIDAY'S ACTIVE STOCKS

Stock	Change
Canada Inc.	+0.05
Exxon	+0.05
General Motors	+0.05
IBM	+0.05
Johnson & Johnson	+0.05
Merck	+0.05
Procter & Gamble	+0.05
Union Carbide	+0.05
Walt Disney	+0.05
Wells Fargo	+0.05
Weyerhaeuser	+0.05
Yale	+0.05

new-term credit tightening. The Fed has pushed up short-term rates in recent weeks and major banks raised their prime rate 1 point to 9 1/2 per cent this week.

A drop in U.S. unemployment in August to 5.8 per cent from 6.2 per cent in July could make it easier for the Administration to defend more conservative economic policies.

The Casino Group was heavily traded and sharply lower following a rumour that the Stock Exchange would raise its margin requirement on certain issues to 75 per cent.

Casaca's World sank 8 1/2 to 81 1/2, De E. Webb 5 1/2 to 51 1/2, Harrah's 7 1/2 to 52 1/2, MGAT 2 1/2 to 4 1/2, and Golden Nugget 3 1/2 to 34 1/2 on the American SE.

Boeing further advanced 5 1/2 to 87 1/2 on its large order for British Airways estimated at 10 jets in 1982, MGAT 2 1/2 to 4 1/2, and Eastern Airlines up 1/2 to 54 1/2, having ordered 31 aircraft.

THE AMERICAN SE Market Value Index rose 2.28 to 170.70, a record high for the second day in a row, making a rise of 2.81 on the week.

CANADA—Further sharp gains were seen in active trading, with the Toronto Composite Index rising 10.00 to 1,000.00, its highest since March 15, 1974.

The oil price index jumped 1.15 to 170.70, following reports of a major oil and gas find.

The Gold Index also posted a record gain of 108.5 to 170.1. Metals and Minerals moved up 2 1/2 to 104.78.

PARIS—Higher, but trading was subdued. Stocks, Construction, Engineering, Rubbers and Metals rose.

BRUSSELS—Mostly lower in quiet trading.

UK stocks little changed, German steady to higher, Dutch and Canadian steady. U.S. and French lower. Gold Mines fell back on the London fixing.

SWITZERLAND—Mixed, with firm undertone on selective demand.

AMSTERDAM—Mixed trend. Trading in Stevin and Vekker suspended ahead of details on proposed merger due next week.

Amey formed 2 1/2 to 92.00 on 34 per cent rise in net profit. Other insurance firms in line.

State Loans steady.

WILSON—Mixed in quiet trading. Financials also generally lower.

OSLO—Industrials weaker, Bank, Insurance and Shipping indices rising.

VIENNA—Little changed in moderate trading.

COPENHAGEN—Mixed in moderate turnover. Insurance and Shipping lower. Commodities

and Industrials mixed. Banks and Communications mostly unchanged.

AUSTRALIA—Firm and active. Resource stocks including Coals, Uranium and Oils leading the advance.

Carr Boyd gained 6 cents to 60 cents, Northern Mining 4 cents to 57 cents and Alkane 3 cents to 37 cents.

TOKYO—Higher with active selective buying spread over a wide range. Volume 450m (340m) shares.

Pharmaceuticals led on "cheap" buying by major investment trust.

Fuji-Sawa Pharmaceutical Y57 to 605.

Textiles, Paper-Pulp, Foods, Oils, and Petrochemicals also rose.

Public Works issues mixed on late profit-taking. Electricals and Metals generally lower.

HONG KONG—Firm in very active trading with East Seng rising 16 1/2 to 68 1/2.

JOHANNESBURG—Golds generally easier in thin trading, ahead of Settlers Day next weekend.

Metals and Minerals slightly firmer in slack dealings.

Industrials quietly mixed. Union Steel of South Africa gained 1 cent to 30 cents following interim results.

NEW YORK - DOW JONES

Australia	848.23	845.15	846.33	841.15
Belgium	95.03	96.10	101.10	87.45
Denmark	96.03	97.71	102.25	84.00
France	70.2	73.2	75.2	71.8
Germany	831.7	826.5	831.7	829.4
Holland	91.8	91.2	91.2	91.2
Hong Kong	694.45	678.22	694.45	682.44
Italy	77.09	77.29	77.29	77.29
Japan	426.26	428.22	428.22	428.22
Singapore	371.15	370.22	370.22	370.22

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Sales rise at German engineer

By Our Financial Staff
MANNESMANN, the West German steel pipe, plant construction and mechanical engineering group, has registered a 6 per cent rise in external sales to DM3.35bn (\$2.7bn) for the six months to June. After the 1 per cent increase reported for the first three months, Mannesmann has begun to justify its forecast that 1978 will show a recovery.

In its works magazine Mannesmann said that order inflow and production had climbed as well as turnover. The company said that in the first half of 1978, sales share of external turnover climbed to 50 per cent from 49 per cent.

The company said without giving figures, that earnings in the first half were "in total positive".

Peak EOE turnover

The European Options Exchange experienced a record turnover in August. Contracts of 24,732 compared with the previous high of 18,501 in June. Reuter reports from Amsterdam.

The EOE said the turnover was aided by firm prices of the underlying shares on the Bourse and greater interest and familiarity of options generally. The EOE expects that investment institutions can operate through the exchange without contravening their legal position to be a positive influence.

Carlsberg in Malaysia

CARLSBERG BERHAD, the second biggest brewery in Malaysia, has reported a 14 per cent rise in profits for the first half of this year, and is declaring a scrip issue of one for two to totalise six million ringgits from reserves and retained earnings. Wong Sulong writes from Kuala Lumpur.

The company is also proposing to raise its authorised capital from 15m to 50m ringgits.

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Major coal discovery in New South Wales

BY OUR OWN CORRESPONDENT

SYDNEY, Sept. 1.

THE New South Wales Government has discovered a new coal deposit which could prove to be the biggest in Australia, rivaling the Hunter Valley deposits.

The find was made by the state's Department of Mines near the town of Brezza, close to the rail centre of Werris Creek in the Gundahra Basin, 300 km north of Sydney.

The department found a multiplicity of black coal seams, the biggest of which was 60 feet deep and extended across an area of 50 km, in its 1977-78 preliminary coal drilling programme.

The Minister for Mines and Energy, Mr. Pat Hills, said that preliminary indications were that the deposit would be of major importance to the state and that "it represents a huge energy resource".

The exact size of the Brezza discovery will not be known until further drilling is completed. Hills said that an extension of the Hunter area as the structure is

similar to that of the Sydney basin. The deposits could well be valued at "thousands of millions of dollars" as black coal is the most sought after coal for power generation and industrial uses. Both steaming and soft coking coals are contained in the field, Mr. Hills said.

One of the coal seams has shown to be more than 60 feet thick, and this alone represents a huge energy resource. This particular seam of coal is apparently developed over at least 50 km and occurs within open cut or shallow mining distances of the surface.

Nearby rail links to Newcastle enhance the find as start-up costs could be limited. The department drilled only four cores to a depth of about 300 to 400 feet. Another 25 holes would have to be drilled before a reliable estimate of the find's worth can be made.

The department said it will take another two years to assess whether the government will

allocate mining priorities. A total lead time of four to five years is expected before any mine could begin production. Mr. Hills said that the Government would have to consider whether to continue exploration itself or to tender out the land to mining companies. However, industry sources suggest the Government is likely to retain a portion of the area for continued exploration and let the balance to interested companies.

One such interested company is likely to be Coaltec Rio Tinto of Australia which was recently forced to abandon its attempt to takeover Coal and Allied Industries after intervention by the NSW Government. Even when announcing that talks had been abandoned, CRA directors stated they were still very interested in the NSW coal industry.

The Brezza discovery involves both crown land and privately owned crown land, and is accessible and close to the Werris Creek rail centre.

Dunlop Estates cuts dividend

BY WONG SULONG

KUALA LUMPUR, Sept. 1.

THE DROUGHT of the past two years has taken heavy toll of Dunlop Estates Berhad. The company today reports that its after-tax profits for the first half of this year have fallen by 43.5 per cent to 5.7m ringgits (\$2.48m).

Results to date indicate that the year has fallen by 43.5 per cent to 5.7m ringgits (\$2.48m) and is cutting its interim dividend to 8 per cent from 10 per cent.

Palm Oil, the company's most important crop, has been worst hit. Output fell 45 per cent to 10,200 tonnes, and the price of the crop fell by 11 per cent. Cocoa rose by 19 per cent to 625 tonnes, but a 13 per cent fall in price did much to neutralise the higher output. Only rubber turned in a slightly better result. Output fell marginally, but with

a 2 per cent price rise, rubber sales reached \$2.8m ringgits, 1.8m ringgits more than previously.

Dunlop Estates — which is a subsidiary of Dunlop of the UK with a large minority interest held in Malaysia — said prospects for the second half were more encouraging, with indication of a marked improvement in the oil palm harvest. However, it added the full year's results were not expected to approach last year's record of 16m ringgits.

A revision of the company's assets has been completed, and subject to approval from Malaysian authorities, any surplus arising from revaluation is to be reflected in the capital reserves.

After two years of strong

growth, profits at Boustead Holdings Berhad, showed only a marginal rise during the first half of this year, due largely to the setback at its plantation subsidiary, Malakoff.

Boustead reports pretax profits were virtually at 6.5m ringgits (\$2.97m) while after-tax profits showed a six per cent rise to 3.88m ringgits. Half year turnover for the group was 48.8m ringgits up 21 per cent.

The group's 55 per cent owned subsidiary, Malakoff, suffered a setback with pretax profits falling by 34 per cent to 2.55m ringgits. Output of palm oil fell by 40 per cent to 12,551 tonnes while rubber production declined by 6 per cent to 7,06m lb.

Olivetti rights fully subscribed

BY OUR OWN CORRESPONDENT

IVREA, Sept. 1.

OLIVETTI has successfully concluded a 1,400m (\$30m) capital issue launched earlier this summer, with strong participation from private shareholders. The main subscriber to the rights issue, as planned, was Sig. Carlo de Benedetti (the former managing director of Fiat) who was appointed chairman and chief operating officer of the office equipment group last April.

Sig. de Benedetti took up 1,500m worth of new shares, through his holding company, Olivetti Industrie, and the Olivetti control syndicate, Mediobanca and other major shareholders. Fiat, another major shareholder, which recently left the Olivetti control syndicate, also took up its share of the rights issue, but other major shareholders have not so far contributed.

Private investors took up over 1,200m worth of shares and other major shareholders are likely to put up more funds.

The success of the funding, Olivetti said, was due to the fact that a banking consortium formed to guarantee the issue did not have to take up any of the shares offered. Sig. de Benedetti, who now controls 15 per cent of the firm, increased his 1,000m capital to 20 per cent of voting rights, has embarked on a programme to cut losses and restructure group debt. The group is expected soon to finalise a medium term loan in lire.

Drastic cutbacks have been announced at loss-making subsidiaries in the U.S., Argentina and France, and a ceiling set on new debt in a bid to bring the group back into profit.

Although no dividend is expected to be paid for 1978, for the fourth year running, Olivetti shares have been rising on the bourse, which has been buoyed by a new wave of investor confidence in recent weeks.

Amev lifts first half profits

BY CHARLES BATCHELOR

AMSTERDAM, Sept. 1.

HELPED partly by the acquisition of Time Holdings, the Dutch insurance group Amev has increased first half net profits by 31 per cent to Fl 41m (\$19m) for the first half of 1978.

However, the company confirms that profits for the whole of this year will emerge just 15 per cent ahead at the net level. It is maintaining its interim dividend at Fl 1.80 per share on the capital as increased (by 10 per cent) by the recent rights issue.

The turnover rose 30 per cent in the six months to Fl 1.2bn (\$518m). The improvement is partly due to the acquisition of Time Holdings, the insurance and banking arm of Time Inc. which took effect at the beginning of this year. If the effect of the acquisition of Time is eliminated, turnover rose 16 per cent.

Life insurance premium in

come rose 18 per cent to Fl 720m while non-life premium income rose 68 per cent to Fl 320m. Other income rose 25 per cent to Fl 60m. The company's activities in the U.S. "developed well while progress elsewhere was normal".

The Amsterdam Stock Exchange today suspended dealings in the shares of Stevig and Adriani Volker, two construction groups which are holding merger talks. The suspension follows sharp rises in the shares of both companies in the past few days; the two said they would issue a statement next week.

A merger would create the largest construction company in Holland and one of the largest in Europe. The two groups had a combined turnover of Fl 2.5bn (\$1.2bn) in 1977 and a workforce of 22,000.

Flakt earnings ease

BY JOHN WALKER

STOCKHOLM, Sept. 1.

PRE-TAX profit of Svensk Flakt, the Swedish industrial ventilation and pollution control group, dipped to SKr33m (\$7.5m) for the first half of 1978 from SKr35m.

Gains and losses on foreign exchange transactions are not included in the result. Group sales for the first half amounted to SKr2.5bn (\$500m) compared with SKr2.7m. Order intake for the six months amounted SKr1.5bn (\$400m), showing an increase of 20 per cent over the 1977 first half.

Orders at end-June totalled SKr2.4bn (\$500m) up from SKr2.3bn at the same time last year.

The company reports that most of the divisions have shown im-

proved sales, but has met with fierce competition. Managing director Mr. Bengt Borg says that he expects the year to be "unavoidable".

P. K. Bengt Borg intends to establish a subsidiary in London in the form of a licensed securities dealer by the end of 1978. The Swedish Government has been requested to grant the necessary permit. The London company will not take deposits or grant credits neither will it deal in foreign currencies. Certain permits are to be obtained from the Bank of England.

Nylex sees better second half

BY OUR OWN CORRESPONDENT

SYDNEY, Sept. 1.

THE PLASTICS and chemicals group Nylex Corporation hit trouble in the six months to June 30, with profit down from \$458,000 to \$458,000 despite a 16.4 per cent sales lift.

But the directors have held the dividend steady at 1 cent a share, and say that the outlook for the second half is good. Most divisions of the group are expected to show a profit in the second half with improved results. A continuation of this trend should lead to a marked increase in contributions by our associate companies and a higher return from the Nylex operating group which trades on a net profit of \$70.975bn.

That would compare with a net loss of \$70.975bn on sales of \$70.975bn.

The directors said that the result includes losses associated with the closure of the group's Singapore operation and a fall in the equity profit contribution of associate companies in Australia and New Zealand from \$247,000 to \$2,000.

Nylex more than doubled profit with a 65.3 per cent jump to \$2.77m after interim earnings soared from \$14,000 to \$43,000.

Cernay said that eventually, Berglas would employ 2,000 workers and have an annual turnover of Ffr 300m. Cernay's announcement that initially it will keep on only 320 of the company's present workforce of 500 has been described as "unacceptable" by French unions.

The sale by Courtaulds was first reported in the Financial Times two years to 1976, the former subsidiary lost Ffr 24m.

\$120m bid for Medusa accepted

By David Lascelles

NEW YORK, Sept. 1.

MEDUSA CORPORATION, the cement-maker which is the object of its fifth take over offer in less than a year, last night approved in principle a \$120m bid from Crane Company, the maker of industrial valves.

Crane, already a large shareholder in Medusa, is offering \$80 in cash for up to 700,000 shares so as to bring its total shareholding up to 45 per cent. Further shares would be acquired under an exchange for Crane voting preferred and convertible preferred stock.

Due to the competition for Medusa, Crane was forced to increase its original offer of \$47, and it later improved the terms of the share exchange, including provision for a sinking fund starting after five years.

Completed, the merger will produce a broadly diversified concern with sales of some \$1.75bn a year. Crane's bid represents a premium of around 20 per cent over Medusa's share price valuation in the stock market.

Berglas Kiener sold for \$2.6m

PARIS, Sept. 1.

BERGLAS Kiener, a French subsidiary of Courtaulds of the U.K., has been acquired by the Cernay S.A. group of France for 11.5m Ffr (\$2.6m).

The sale, which is mainly concerned with woollens, had been in liquidation since last May. The new parent company intends to spend around Ffr 30m to get Berglas Kiener going again.

Cernay said that eventually, Berglas would employ 2,000 workers and have an annual turnover of Ffr 300m. Cernay's announcement that initially it will keep on only 320 of the company's present workforce of 500 has been described as "unacceptable" by French unions.

The sale by Courtaulds was first reported in the Financial Times two years to 1976, the former subsidiary lost Ffr 24m.

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COMMODITIES/Review of the week

Crop worries boost cocoa

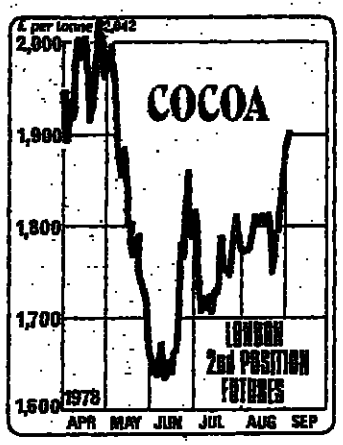
BY OUR COMMODITIES STAFF

LONDON COCOA futures closed last night at their highest levels for several months as growing concern over crop prospects in producing countries encouraged widespread buying. The upsurge, which has accelerated in the past few days, has now added over \$160 a tonne to nearby prices in less than a fortnight.

November delivery cocoa ended the week \$117 higher at \$209.5 a tonne followed by a \$20 rise yesterday. Dealers attributed this to concern over supply prospects for the coming season, particularly in West Africa where a long spell of overcast weather has hindered post-harvesting. The Brazilian crop is also thought to be done on last year.

These worries were highlighted in a report published by Holco, the London trade house, which forecast that world production in the 1978-79 season would be 700,000 to 1,100,000 tonnes, 1977-78 total of 1,47m tonnes. The rise was also encouraged by increased buying from Continental manufacturers, although this slackened off somewhat yesterday.

The rise in cocoa values continued this week although there is still considerable uncertainty about the amount of damage done to the Brazilian crop by last month's freeze. The Brazilian Coffee Institute is sticking to its estimate that 8.2m bags (80 kilos each) of coffee beans were lost while the U.S. Department of Agriculture puts the damage at only 4m bags. It is favouring the lower end of this range and November futures fell \$20 a tonne. But prices have since



Standard grade cash metal rose \$122.50 a tonne on the day and closed at \$2,937.50 — a gain of \$240. The monthly standard grade rose \$185 a tonne on the week to \$2,847.50. High-grade tin prices were affected by forecasts of a drop in LME warehouse stocks, increases in the Eastern price and good U.S. demand.

On the other hand copper fell during the week in spite of further disturbing news from major mining areas in Peru and Chile.

Yesterday the Chilean Government declared a state of siege and the suspension of constitutional guarantees in northern El Loa Province in an attempt to end the conflict with miners in the area. And in New York, Asarco announced that it would not be shipping any copper from its refinery in Peru to European customers in September. Shipments were reduced 50 per cent in August.

Southern Peru Copper Corporation said very few workers were returning to work at the Tropicana mine and the refinery despite a government order ending the strike.

This news pushed copper up about \$10 a tonne in London, but on the week cash wirebars lost \$2.75 a tonne and cathodes fell \$2.75. Three month wirebars closed \$3.50 a tonne down at \$755.35 and forward cathodes were \$9 a tonne lower at \$746.00.

Advances in copper prices helped boost lead prices, with cash metal ending the week with a gain of \$5.25 a tonne at \$243.50. Cash zinc was \$2.75 a tonne up at \$231.50.

MARKET REPORTS

BASE METALS

COPPER—Firmers on the London Metal Exchange (LME) closed the week at \$2,937.50 a tonne, up \$240 from \$2,697.50. The monthly standard grade rose \$185 a tonne on the week to \$2,847.50. High-grade tin prices were affected by forecasts of a drop in LME warehouse stocks, increases in the Eastern price and good U.S. demand.

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Hokok Marine

recovery

HOKOK Marine Products Company reports a \$324m net profit for the half year ended July 31, compared to a \$149m loss a year earlier. Sales during the period were \$32.77bn.

The company forecasts a net profit for the whole of the current year of about \$500m on sales of \$73bn. That would compare with a net loss of \$70.975bn on sales of \$70.975bn.

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Plea to Plessey board on political donations

BY JOHN LLOYD

A PLESSEY shareholder has asked the company's Board to consider ways in which shareholders could "contract out" of the payment of donations to political parties or organisations.

Mr. Richard Balfe, a director of the Royal Arsenal Co-operative Society's pension fund which holds about 5,000 shares in Plessey, made the request yesterday at the company's annual general meeting.

In the past year, Plessey has given political contributions of £25,000 to British United

Industrialists, £15,000 to the Conservative Party and £10,000 to the Centre for Policy Studies, the Conservative Party's "think tank".

British United Industrialists acts as a channel for funds from British industry to the Conservative Party.

Sir John Clark, chairman of Plessey, said that the reasons why Plessey gave political contributions were well known. He would ensure that Mr. Balfe's request was considered by the Board.

Later, Mr. Balfe, said that he had had informal talks with other pension funds, including

Bank endows Chair

LLOYDS BANK is endowing the chair of rural estate management at the Royal Agricultural College, Cirencester, Gloucestershire, with a seven-year covenant donation.

Mr. John Young, who has been in charge of the agricultural development and advisory service at the National Agricultural Centre, Stoneleigh, has been

Judge calls for return to discipline

AN APPEAL Court judge yesterday called for a return to discipline in law, but pointed out that the Court of Appeal was not a tribunal of fact.

Without actually using the word, Lord Justice Lawton advocated the services system of "judges" with maximum of 15 day detention as the best way of making an impression on young lawns.

He told heads at the annual conference of the Incorporated Association of Preparatory Schools at Cambridge, that he was not suggesting a return to the old system of reform schools, or approved schools, nor a restoration of corporal punishment.

More penalties of the attendance centre kind where living conditions should be hard, the discipline strict and the routine designed to stretch the boys physically were what was needed.

The Howard League for Penal Reform said last night that the facts were against Lord Justice Lawton. The number of young adults sent to prisons, hostels and detention centres had more than doubled in the past 17 years and only part of the increase was accounted for by the rise in the number of convictions.



"I haven't been so happy for years."

For many elderly people, going into a "Home" seems like the end of the world. Nevertheless, our headline is a typical quotation from one of our residents' letters.

The Distressed Gentlefolk's Aid Association runs a particular type of Home for a particular type of person. Not just what is implied by the "Gentlefolk" in our title but anyone, man or woman, who will "fit-in" with our other residents.

We have 13 Homes in all. Some Residential, some full Nursing Homes. Anyone who needs a Home but who lacks the necessary financial resources can apply to the DGAA for help.

Places are short, because money is short. Your donation is urgently required. And please, do remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

VICARAGE GATE HOUSE, VICARAGE GATE, KENSINGTON LONDON W8 4AQ

"Help them grow old with dignity"

INVESTORS!

FLY HIGH

Here's how it's done!

The following table is a comprehensive, non-selective list of the results of recent "sell" recommendations made on the high fliers' share list, just one of the many valuable features included in each month's Private Investor's Letter:

HIGH FLIERS' SHARE LIST: PAST PROFITS TAKEN*

Share	% Capital gain
Fox's Biscuits	+ 95%
Lipton & Co.	+ 25%
London & Overseas Freighters	+ 25%
Parker Timber	+ 79%
H. Brammer & Co.	+ 25%
Grindlays Bank	+ 237%
William Boulton Group	+ 22%
Park Farms	+ 92%
Neepsend	+ 26%
Talbot	+ 29%
Tarmac	+ 22%
Hall Engineering Holdings	+ 22%

*Dealing costs are excluded, as are dividends, etc. accruing. Based on this performance, the Private Investor's Letter is indisputably worth many times its modest annual subscription for its share recommendations alone. In fact it is far more than a list of share tips; it is a comprehensive, succinct, reliable guide for the serious (and would-be serious) private investor.

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This week's SE dealings

Friday, September 1, 1978 4,922 Tuesday, August 29, 1978 4,736 Wednesday, August 30, 1978 4,348 Thursday, August 25, 1978 6,038

The list below records all yesterday's dealings and also the latest market prices for the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the names of the companies. Unless otherwise stated, shares are in the London Stock Exchange. Such Exchange securities are quoted in pounds and fractions of pounds or pence and fractions of pence.

The Stock Exchange has been advised to mark bargains, except in special circumstances. A Bargain done with or between two members of the Stock Exchange is not subject to the usual rules of the Stock Exchange.

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Conditions in the foreign ex- Sterling: opened at \$1.9425-1.9435

Bank of England Minimum moderate amount of Treasury

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Bank	100 = 160.00	Gold Bullion (a fine ounce)	£380.000 - £380.000 - £380.000

IS. \$	7:4 1:410-1,2505	1,9490 1:500	Sept. 1				Note Rates	Afternoon trading...	(107.086)	(1: 6.812)
100000 \$	9 2:2241-2:2480	2:2443-2:2459							\$208.00	\$208.70
									(106.908)	(107.350)

LONDON MONEY RATES			
\$10 Exgtes.	\$115 12 6	\$167 1/2 16 4
\$2 Exgtes.	\$116 11 6	\$117 1/2 17 4

	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
Overnight ...	—	2 8½	—	—	—	7 ½-8	5-8	—	—	—

CURRENCY RATES

EURO CURRENCY INTEREST RATES*

Seqd. 1	Sterling	Dollar	U. S. Dollar	Dutch Guilder	Swiss Franc	Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
1000000	10.11	814.91	814.91	516.53	14.33	336.36	111.21	N. A.	—	16.25

data STREAM International

Name and description	Size (sq. ft.)	Current price	Terms*	version dates	Flat yield	Red. yield	Current		Range		Equ. \$	Conv. %	Diff. %	Current
							Current	Range						

of the equity in the convertible stock. Three-month forward income on number of ordinary shares into which \$100 nominal of convertible stock is convertible, expressed in pence, is assumed from present time until income on ordinary shares is greater than income on \$100 nominal of convertible or the final conversion date, whichever is earlier. Income is assumed to grow at 10 per cent per annum and is presently valued at 10 per cent per annum. Income on \$100 of

1. *Journal of the American Medical Association*, 1997; 278: 1039-1044.

Authority	Annual gross	Interest	Minimum	Life of
				London United 120p; 178
				Matthews, Wriggins Higgs, 20p; 2020 2
				Minet Higgs 120p; 2020

Alliance Trust (25p) 234: 4 3. 54pcDh
 71:

BUILDING SOCIETY RATES

Journal of Management Education 30(6)p. 789-804

[illegible]

Enthusiasm for equities shows no sign of improving and 30-share index ends week 15.4 down at 498.0

Account Dealing Dates
First Dealing Date: Aug. 21, 1978
Second Dealing Date: Aug. 22, 1978
Third Dealing Date: Aug. 23, 1978
Fourth Dealing Date: Aug. 24, 1978
Fifth Dealing Date: Aug. 25, 1978
Sixth Dealing Date: Aug. 26, 1978
Seventh Dealing Date: Aug. 27, 1978
Eighth Dealing Date: Aug. 28, 1978
Ninth Dealing Date: Aug. 29, 1978
Tenth Dealing Date: Aug. 30, 1978

Investors continued to hold back in stock markets yesterday as the end of the shortened holiday trading week loomed. The period proved to be disappointing for most traders because only eight trading days are left for the year. Since then, enthusiasm has evaporated unexpectedly and the FT Industrial Ordinary share index has fallen back through 500, losing over 25 points, or 4.8 per cent, from the August 22 high.

Most of the setback has stemmed from uncertainty created by the lack of any guide as to the Government's general election intentions and by the escalating labour troubles at British Leyland. A more recent adverse influence has arrived in the form of the decision to refer the Bingham report on alleged Rhodesian sanctions-breaking to the Director of Public Prosecution.

News items resulted in the odd firm feature yesterday and interest developed in selected situation stocks, but the overall volume of business in the industrial sections remained pathetically small. In the hour that the new Account would bring about a revival of institutional inquiry, dealers tentatively raised prices after the official close, and this accounted for the slight rally in the 30-share index from 492.9 to 498.0 at the final count.

The debut of Pinchin Denry as a trader in Gilchrist & Wylie coincided with a more stable tendency, more noticeable at the longer end of the market than among the shorts. The former rallied before, but the higher interest rate on this week's offering of Treasury bills, and closing a maximum of 1 better. Still checked by US interest rate pressures, which are likely to postpone further the awaited cut in Minimum Lending Rate, the shorter maturities settled only marginally higher.

Corporates failed to benefit from the recovery in the main funds and stayed at overnight levels, but the actions of a lone buyer lifted Southern Rhodesian 21 per cent 1983-79 by 2 points to 52.

Potential investors in US securities deferred making fresh commitments and a fresh down turn developed in the investment currency premium. On institutional and arbitrage offerings, the rate reacted late to 88 per cent for a loss of 21 points. Yesterday's 88 per cent factor was 0.786 (0.751).

Only 35 contracts were completed in the Traded Options market making the week's daily average 434, the lowest since the beginning of July.

Insurance dull
Insurance ended the week and Account on a down note, reflecting Wednesday's disappointing interim figures. Profit lost 6 more to 245p for a decline on the week of 26. Bannbrun Life closed down 5 to 355p, while details of the group's agreed bid for Glanville Securities left Legal and General a couple of pence lower at 165p. Further small offerings ahead of next Wednesday's interim results prompted a further decline of 8 to 330p in Sun Alliance. Royal's relinquished 9 to 370p. Comment on the first half results brought about a reaction of 3 to 197p in Matthews Wrightson.

Up 31 points the previous day, reports that the group may soon be in a position to resume interest payments on the loan, ENFC 91 per cent 1982-87, returned 11 to 230p after 220p.

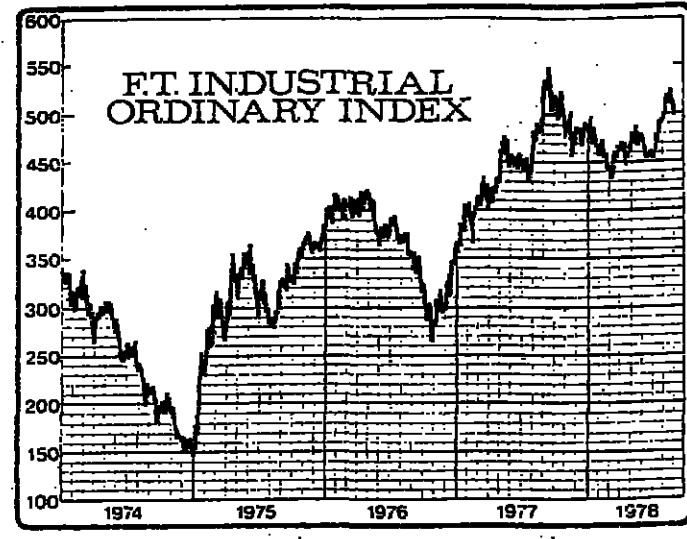
Brevities were not helped by new news of the group's financial figures for July, but prices were only slightly easier, where changed.

Buildings recorded the occasional bright spot. Taylor Woodrow turned 10 to 435p, but G. Wimpey closed 11 dearer at 53p, after 52p. Scattered demand ahead of next Thursday's interim results left R. G. L. 200p, while J. Laing 200p, down 13 at 233p, encountered profit-taking after the previous day's late improvement in response to the reconstruction scheme. Group Developments rose 3 to 33p on the rejected bid, worth around 30p per share, from Cambrian Group, unaltered at 22p. In the afternoon, BPR rose 3 to 240p and British Dredging 2 to 27p. Parker Timber gave up 2 to 100p following the preliminary results.

ICI traded quietly and closed a penny lower at 394p after moving between extremely narrow limits; the interim results are due next Thursday. Elsewhere in Chemicals, ICI's share of 394p was similarly better at 375p.

Wallis good
Wallis, up 12 at a 1978 high of 275p, were an isolated firm feature in otherwise quiet dull shares on buying ahead of the shares going ex the three-for-one scrip issue on Monday. Chureit, however, fell 10 more to 170p on further consideration of the disappointing interim results, while a fall of around 3 were seen in Curry, 307p, Freeman, 370p, ICI, 394p, and H. Samuel, 182p. Of the leaders, British Home dipped 4 to 200p and Hollander's 2 to 165p.

Further profit-taking in the



at the annual meeting and ahead of next Monday's 100 per cent scrip issue. Pilkington improved 5 to 835p, while Bowater edged forward 3 to 100p; the latter's interim results are due on September 11. Turner and Newall, on the other hand, dipped 5 to 170p and Metal-Box gave up 4 to 362p. Secondary issues were featured by a rise of 5 to 301p in J. and J. Flynn in response to the sharply higher first-half profits and projected 100 per cent scrip issue. Still reflecting comment on the first-quarter figures, Johnson also gave up 2 to 410p, but Mather improved another 3 to 345p, while Inter-City found support at 131p, up 11. National

Scattered selling was again evident in the Property sector. Overseas Press mentioned prompted renewed dullness in Deane which gave up another 4 to 105p. Bradford remained on offer at 245p, down 3, while R. Green was noteworthy for a similar reaction to 331p. Against the trend, buying interest was shown in Stock Corporation, up 6 at 380p, while demand revived for Westminster. Higher at a peak for the year of 210p following news of a possible advance.

Against the easier trend of Overseas Press, Sime Darby rose 4 to 121p.

Investment Trust ended the week with another lengthy list of falls as a result of small selling in an unwilling market. London and Holyrood fell 6 to 121p, while Anglo-Siam 100p, down 10, closed at 100p. Glasgow Shipbuilding, 182p, and Witan Investment, 53p, and United British Securities 134p. Alliance Investment reacted 3 to 109p. In Financials, Ham Par reflected an Eastern demand with a rise of 5 to 197p, peak of 37p. Dalgety, however, gave up a like amount at 203p on small selling in front of next Thursday's preliminary figures.

Shipments finished firmly with Furness Withy closing 2 harder at 233p and British and Commonwealth 5 to the good at 252p. In the afternoon, British United hardened 2 to 331p in front of Monday's interim report.

Stoddard "A" featured Textiles with a reaction of 5 to 31p on further consideration of the preliminary figures. Leigh Mills reflected disappointment in results with a fall of a penny to 18p, while George Spencer lost a like amount at 41p on the first-half profits setback. Caird (Dundee), however, edged forward 1 to 17p on the chairman's optimism at the annual meeting. BAT Industries, Deferred, 3 better at 278p, provided the only movement of note in Tobacco.

Among South Africans, Revint moved to the North East.

FINANCIAL TIMES STOCK INDICES									
	Sept. 21	Sept. 22	Sept. 23	Sept. 24	Sept. 25	Sept. 26	Sept. 27	Sept. 28	Sept. 29
Government Secs.	70.34	70.19	70.42	70.65	70.66	70.65	70.65	70.65	70.65
Fixed Interest	72.05	72.14	72.35	72.48	72.48	72.48	72.48	72.48	72.48
Industrial Ordinary	498.0	498.5	503.0	505.3	513.4	509.2	507.4	507.4	507.4
Industrial Share	180.2	183.3	181.6	181.6	175.9	177.1	177.1	177.1	177.1
Local Div. Yield	5.36	5.36	5.31	5.28	5.20	5.31	5.31	5.31	5.31
Local Div. Yield	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Local Div. Yield	8.29	8.29	8.46	8.41	8.53	8.48	8.48	8.48	8.48
Local Div. Yield	4.922	5.065	4.736	4.448	4.897	4.638	4.780	4.780	4.780
Local Div. Yield	82.96	84.09	74.07	64.53	79.23	117.00	117.00	117.00	117.00
Local Div. Yield	15.784	15.012	14.737	15.350	15.266	15.266	15.266	15.266	15.266

HIGHS AND LOWS									
	High	Low	High	Low	High	Low	High	Low	High
Govt. Secs.	70.65	70.19	70.42	70.65	70.66	70.65	70.65	70.65	70.65
Fixed Int.	72.48	72.14	72.35	72.48	72.48	72.48	72.48	72.48	72.48
Ind. Ord.	513.4	498.0	503.0	505.3	513.4	509.2	507.4	507.4	507.4
Ind. Share	183.3	180.2	181.6	181.6	175.9	177.1	177.1	177.1	177.1
Local Div.	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Local Div.	8.41	8.29	8.46	8.41	8.53	8.48	8.48	8.48	8.48
Local Div.	4.736	4.922	4.448	4.897	4.638	4.780	4.780	4.780	4.780
Local Div.	74.07	82.96	74.07	64.53	79.23	117.00	117.00	117.00	117.00
Local Div.	15.266	15.784	14.737	15.350	15.266	15.266	15.266	15.266	15.266

OPTIONS									
	First	Last	For	Settle	For	Settle	For	Settle	For
First	21	22	23	24	25	26	27	28	29
Last	22	23	24	25	26	27	28	29	30
For	23	24	25	26	27	28	29	30	31
Settle	24	25	26	27	28	29	30	31	32

LONDON TRADED OPTIONS									
	High	Low	High	Low	High	Low	High	Low	High
Govt. Secs.	70.65	70.19	70.42	70.65	70.66	70.65	70.65	70.65	70.65
Fixed Int.	72.48	72.14	72.35	72.48	72.48	72.48	72.48	72.48	72.48
Ind. Ord.	513.4	498.0	503.0	505.3	513.4	509.2	507.4	507.4	507.4
Ind. Share	183.3	180.2	181.6	181.6	175.9	177.1	177.1	177.1	177.1
Local Div.	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Local Div.	8.41	8.29	8.46	8.41	8.53	8.48	8.48	8.48	8.48
Local Div.	4.736	4.922	4.448	4.897	4.638	4.780	4.780	4.780	4.780
Local Div.	74.07	82.96	74.07	64.53	79.23	117.00	117.00	117.00	117.00
Local Div.	15.266	15.784	14.737	15.350	15.266	15.266	15.266	15.266	15.266

ACTIVE STOCKS YESTERDAY									
	No.	Denomina-	Closing	Change	1978	1978	1978	1978	1978
Stock	13	13	384	+1	414	325	414	325	414
ICI	13	13	384	+1	414	325	414	325	414
Shell Transport	25p	25p	384	+1	414	325	414	325	414
Burmah Oil	10	10	878	-	926	720	926	720	926
De Beers Devel.	20	20	8	-	82	42	82	42	82
Laing (L.A.)	20	20	422	-	422	121	422	121	422
RATs Devel.	25p	25p	278	-	304	227	304	227	304
Bareilly Bank	10	10	345	-	388	290	388	290	388
Hawker Siddeley	25p	25p	228	+2	232	186	232	186	232
Wimpey (G.)	25p	25p	115	+1	101	184	101	184	101
Roots	25p	25p	6	-	222	161	222	161	222
Sovater	10	10	199	+4	212	163	212	163	212
EMI	30p	30p	6	-	148	100	148	100	148
P. & O. Devel.	10	10	6	-	118	82	118	82	118
Unilever	25p	25p	6	-	360	2	360	2	360

ON THE WEEK									
	No.	Denomina-	Closing	Change	1978	1978	1978	1978	1978
Stock	13	13	384	+1	414	325	414	325	414
ICI	13	13	384	+1	414	325	414	325	414
Shell Transport	25p	25p	384	+1	414	325	414	325	414
Burmah Oil	10	10	878	-	926	720	926	720	926
De Beers Devel.	20	20	8	-	82	42	82	42	82
Laing (L.A.)	20	20	422	-	422	121	422	121	422
RATs Devel.	25p	25p	278	-	304	227	304	227	304
Bareilly Bank	10	10	345	-	388	290	388	290	388
Hawker Siddeley	25p	25p	228	+2	232	186	232	186	232
Wimpey (G.)	25p	25p	115	+1	101	184	101	184	101
Roots	25p	25p	6	-	222	161	222	161	222
Sovater	10	10	199	+4	212	163	212	163	212
EMI	30p	30p	6	-	148	100	148	100	148
P. & O. Devel.	10	10	6	-	118	82	118	82	118
Unilever	25p	25p	6	-	360	2	360	2	360

RISES AND FALLS									
	Up	Down	Same	Up	Down	Same	Up	Down	Same
British Funds	54	7	11	61	100	39	61	100	39
Government, Dem. and Foreign Bank	177	486	872	573	2057	3232	573	2057	3232
Industrial	38	203	299	126	1057	857	126	1057	857
Financial and Property	3	10	13	11	37	76	11	37	76
Mineral	2	3	5	12	144	144	12	144	144
Recent Issues	2	3	5	12	144	144	12	144	144
Totals	333	290	1265	966	3622	5204	966	3622	5204

BASE LENDING RATES

A.B.N. Bank	10%	12%	15%	18%	20%	25%	30%	35%	40%
Allied Irish Banks Ltd.	10%	12%	15%	18%	20%	25%	30%	35%	40%
American Express Bk.	10%	12%	15%	18%	20%	25%	30%	35%	40%
Amro Bank	10%	12%	15%	18%	20%	25%	30%	35%	40%
A.P. Bank Ltd.	10%	12%	15%	18%	20%	25%	30%	35%	40%
Bank of America	10%	12%	15%	18%	20%	25%	30%	35%	40%
Bank of Bilbao	10%	12%	15%	18%	20%	25%	30%	35%	40%
Bank of Credit & Comce.	10%	12%	15%	18%	20%	25%	30%	35%	40%
Bank of Cyprus	10%	12%	15%	18%	20%	25%	30%	35%	40%
Bank of N.S.W.	10%	12%	15%	18%	20%	25%	30%	35%	40%
Bank of Paris	10%	12%	15%	18%	20%	25%	30%	35%	40%
Bank of the Rhone	10%	12%	15%	18%	20%	25%	30%	35%	40%
Bareillys Bank	10%	12%	15%	18%	20%	25%	30%	35%	40%
Barnett Christie Ltd.	11%	13%	16%	19%	21%	26%	31%	36%	41%
Brennar Holdings Ltd.	11%	13%	16%	19%	21%	26%	31%	36%	41%
Brit. Bank of Mid. East	10%	12%	15%	18%	20%	25%	30%	35%	40%
Brown Shipley	10%	12%	15%	18%	20%	25%	30%	35%	40%
Canada Perpet. Trust	10%	12%	15%	18%	20%	25%	30%	35%	40%
Capital & C. Pm. Ltd.	10%	12%	15%	18%	20%	25%	30%	35%	40%
Cayser Ltd.	10%	12%	15%	18%	20%	25%	30%	35%	40%
Cedar Holdings	10%	12%	15%	18%	20%	25%	30%	35%	40%
Charterhouse Japhel	10%	12%	15%	18%	20%	25%	30%	35%	40%
Cheniering	10%	12%	15%	18%	20%	25%	30%	35%	40%
C. E. Coates	10%	12%	15%	18%	20%	25%	30%	35%	40%
Consolidated Credits	10%	12%	15%	18%	20%	25%	30%	35%	40%
Co-operative Bank	10%	12%	15%	18%	20%	25%	30%	35%	40%
Corinthian Securities	10%	12%	15%	18%	20%	25%	30%	35%	40%
Credit Lyonnais	10%	12%	15%	18%	20%	25%	30%	35%	40%
The Cyprus Popular Bk	10%	12%	15%	18%	20%	25%	30%	35%	40%
Dunlop Lloyds	10%	12%	15%	18%	20%	25%	30%	35%	40%
Eagle Trust	10%	12%	15%	18%	20%	25%	30%	35%	40%
English Transatl.	11%	13%	16%	19%	21%	26%	31%	36%	41%
First Nat. Fin. Corp.	11%	13%	16%	19%	21%	26%	31%	36%	41%
First Nat. Secs. Ltd.	11%	13%	16%	19%	21%	26%	31%	36%	41%
First Nat. Lbry	10%	12%	15%	18%	20%	25%	30%	35%	40%
Greyhound Guaranty	10%	12%	15%	18%	20%	25%	30%	35%	40%
Guindays Bank	110%	130%	160%	190%	210%	260%	310%	360%	410%
Guinness Mahon	10%	12%	15%	18%	20%	25%	30%	35%	40%
Hambros Bank	10%	12%	15%	18%	20%	25%	30%	35%	40%
Hill Samuel	10%	12%	15%	18%	20%	25%	30%	35%	40%
C. Hoare & Co.	110%	130%	160%	190%	210%	260%	310%	360%	410%
Julian S. Hodce	11%	13%	16%	19%	21%	26%	31%	36%	41%
Hohe & Shanghai	10%	12%	15%	18%	20%	25%	30%	35%	40%
Industrial Bk. of Secl.	10%	12%	15%	18%	20%	25%	30%	35%	40%
Keyser Ullmann	10%	12%	15%	18%	20%	25%	30%	35%	40%
Knapless & Co. Ltd.	12%	14%	17%	20%	22%	27%	32%	37%	42%
Lloyds Bank	10%	12%	15%	18%	20%	25%	30%	35%	40%
London Mercantile	10%	12%	15%	18%	20%	25%	30%	35%	40%
Edwards & Co.	11%	13%	16%	19%	21%	26%	31%	36%	41%
Midland Bank	10%	12%	15%	18%	20%	25%	30%	35%	40%
Samuel Montagu	10%	12%	15%	18%	20%	25%	30%	35%	40%
Morgan Grenfell	10%	12%	15%	18%	20%	25%	30%	35%	40%
National Westminster	10%	12%	15%	18%	20%	25%	30%	35%	40%
Norwich General Trust	10%	12%	15%	18%	20%	25%	30%	35%	40%
P. F. Rothen & Co.	10%	12%	15%	18%	20%	25%	30%	35%	40%
Rossmore	10%	12%	15%	18%	20%	25%	30%	35%	40%
Real Bk. Canada Trust	10%	12%	15%	18%	20%	25%	30%	35%	40%
Schlesinger Limited	10%	12%	15%	18%	20%	25%	30%	35%	40%
E. S. Schwab	11%	13%	16%	19%	21%	26%	31%	36%	41%
Security Trust Co. Ltd.	11%	13%	16%	19%	21%	26%	31%	36%	41%
Standard Chartered	11%	13%	16%	19%	21%	26%	31%	36%	41%
Trade Dev. Bank	10%	12%	15%	18%	20%	25%	30%	35%	40%
Trustee Savings Bank	10%	12%	15%	18%	20%	25%	30%	35%	40%
Twentieth Century Bk.	10%	12%	15%	18%	20%	25%	30%	35%	40%
Union Bank of Kuwait	11%	13%	16%	19%	21%	26%	31%	36%	41%
Wattaway Laidlaw	10%	12%	15%	18%	20%	25%	30%	35%	40%
Williams & Glyn's	10%	12%	15%	18%	20%	25%	30%	35%	40%
Yorkshire Bank	10%	12%	15%	18%	20%	25%	30%	35%	40%
Members of the Accepting Houses	10%	12%	15%	18%	20%	25%	30%	35%	40%
1440 days p.a. 1 month deposits	11%	13%	16%	19%	21%	26%	31%	36%	41%
12 1/2 months	12%	14%	17%	20%	22%	27%	32%	37%	42%
18 months	13%	15%	18%	21%	23%	28%	33%	38%	43%
24 months	14%	16%	19%	22%	24%	29%	34%	39%	44%
2 years	15%	17%	20%	23%	25%	30%	35%	40%	45%
3 years	16%	18%	21%	24%	26%	31%	36%	41%	46%
4 years	17%	19%	22%	25%	27%	32%	37%	42%	47%
5 years	18%	20%	23%	26%	28%	33%	38%	43%	48%

SECRET

Alexander Fund
See Note-Dome Investment
Alexander Fund Ltd. 10/27/80
Net Asset Value Aug. 31

Allen Hargreaves & Ross Inv. Mgt. (C.I.)
11, Charing Cross St. Helier J. 0534-7571
All Unit Inv. Fd. 7/30/80 10/26 12 15

Arbutnot Securities (C.I.) Limited
P.O. Box 294 St. Helier Jersey 0534-7217
100 T. St. Helier 11/18 12 6 483
Net Asset Value September 14
G. Co. Inc. 7/30/80 10/26 12 80
Landfill Inv. Fd. 11/22/80 12/9 2 90
Net Asset Value September 14

Australian Selection Fund NV
Market Opportunities of Irish Young &
C. Ltd. 10/26/80 10/26 12 15
Net Asset Value August 26

Bank of America International S.A.
Boulevard Royal Luxembourg 1
Dividend Income 11/21/77 11/28 6 79 747
Price at August 31 Net Asset Value September 6

Bankes Bruxelles Lambert
100 Boulevard de la Reine B-1000 Brussels
Net Asset Value 11/27 10/26 12 772

Barclays' Unicorn Int. (Ch. Is.) Ltd.
11, Charing Cross St. Helier J. 0534-7571
Overseas Income 11/21/77 11/28 6 79 747
Lundholm Fund 11/21/77 11/28 6 79 747
Subject to free and withholding taxes

Barclays Unicorn Int. (C.I.) M. Ltd.
11, Charing Cross St. Helier J. 0534-7571
Unicorn Int. 11/21/77 11/28 6 79 747
Do Gr. Fund 11/21/77 11/28 6 79 747
Do Gr. Fund 11/21/77 11/28 6 79 747
Do Gr. Fund 11/21/77 11/28 6 79 747
Do Gr. Fund 11/21/77 11/28 6 79 747

Bishopsgate Commodity Ser. Ltd.
100, Abchurch Lane, London EC4A 3DF
ARMAV 11/21/77 11/28 6 79 747
Net Asset Value 11/21/77 11/28 6 79 747

Bridge Management Ltd.
P.O. Box 268 Union Square, London W1
100, Abchurch Lane, London EC4A 3DF
Net Asset Value 11/21/77 11/28 6 79 747

Britannia Tst. Mgmt. (C.I.) Ltd.
11, Charing Cross St. Helier J. 0534-7571
Sterling Dominated Fds.
Growth Inv. 11/21/77 11/28 6 79 747
Income Inv. 11/21/77 11/28 6 79 747
High Yield Inv. 11/21/77 11/28 6 79 747
L.S. Bond Dominated Fds.
Lundholm Fund 11/21/77 11/28 6 79 747
Net Asset Value 11/21/77 11/28 6 79 747

Brown Shipley Tst. Co. (Jersey) Ltd.
P.O. Box 353 St. Helier Jersey 0534-7777
Sterling Bond Fd. 10/27 10/26 12 11 770

Butterfield Management Co. Ltd.
P.O. Box 185 Hamilton Bermuda
Income Inv. 11/21/77 11/28 6 79 747
Net Asset Value 11/21/77 11/28 6 79 747

Capital International S.A.
100, Abchurch Lane, London EC4A 3DF
Capital Int'l Fd. 11/21/77 11/28 6 79 747

Charterhouse Japanch
100, Abchurch Lane, London EC4A 3DF
Adriatic 11/21/77 11/28 6 79 747
Fondak 11/21/77 11/28 6 79 747
Net Asset Value 11/21/77 11/28 6 79 747

Clive Investments (Jersey) Ltd.
P.O. Box 320 St. Helier Jersey 0534-7361
Clive Inv. Fd. 11/21/77 11/28 6 79 747
Net Asset Value 11/21/77 11/28 6 79 747

Cornhill Inc. (Guernsey) Ltd.
P.O. Box 157 St. Peter Port, Guernsey
Net Asset Value 11/21/77 11/28 6 79 747

Delta Group
P.O. Box 3012 Nassau, Bahamas
Delta Inv. Fd. 11/21/77 11/28 6 79 747

Deutscher Investment-Trust
Postfach 2595 Bismarckstrasse 10-1000 Frankfurt
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Dreyfus International Inv. Fd.
P.O. Box 30712 Nassau, Bahamas
Net Asset Value 11/21/77 11/28 6 79 747

Emson & Dudley Tst. Mgt. Jry. Ltd.
P.O. Box 73 St. Helier Jersey 0534-7661
Net Asset Value 11/21/77 11/28 6 79 747

Euromob Holdings N.V.
Hendrik de Keyserweg 10, Curacao
Net Asset Value 11/21/77 11/28 6 79 747

F. & C. Mgmt. Ltd. Int. Advisors
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Fidelity Mgt. & Res. (Bda.) Ltd.
100, Abchurch Lane, London EC4A 3DF
Fidelity Int'l Fd. 11/21/77 11/28 6 79 747
Fidelity Int'l Fd. 11/21/77 11/28 6 79 747
Fidelity Int'l Fd. 11/21/77 11/28 6 79 747

Fidelity Mgt. Research (Jersey) Ltd.
Waterloo Way, Don St. St. Helier Jersey
Net Asset Value 11/21/77 11/28 6 79 747

First Viking Commodity Trusts
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Fleming Japan Fund S.A.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Free World Fund Ltd.
Butterfield Bldg. Hamilton Bermuda
Net Asset Value 11/21/77 11/28 6 79 747

G.C. Management Ltd.
Park House, 10, Finchbury Court, London EC2
Net Asset Value 11/21/77 11/28 6 79 747

Gartmore Invest. Ltd. Ldn. Agents
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Hambro Pacific Fund Mgmt. Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Hambros Bank (Guernsey) Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Hambros Fd. Mgrs. (C.I.) Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Henderson Baring Fund Mgrs. Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Hill Samuel & Co. (Guernsey) Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

International Pacific Inv. Mgt. Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Investment Pacific (Jersey) Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Jardine Fleming & Co. Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

John Hancock Inv. Mgt. Co.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

King & Shaxson Mgrs.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Kleinwortz Benson Limited
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Lloyds Bk. (C.I.) UT Mgrs.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Lloyds International Mgmt. S.A.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

M & G Group
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Mutual Montagu Ltd. Agts.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Nervest, Johnston & Co.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Negit S.A.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Negit Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Phoenix International
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Quest Fund Mgmt. (Jersey) Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21/77 11/28 6 79 747

Richmond Life Ass. Ltd.
11, Charing Cross St. Helier J. 0534-7571
Net Asset Value 11/21

erty Growth

Rough Guaranteed Address shown under Insurance and Property Bond Tab

NOTE

Prices do not include \$ premium, except where indicated. † and are in pence unless otherwise indicated. Yields are shown in last column, allow for all buying expenses. * Offered prices include all expenses to a day's price. † Yield based on offer price. ‡ Estimated % To-day's opening price. † Distribution of U.K. tax. ‡ Periodic premium insurance plans. † Single premium insurance. * Offered prices include all expenses except agent's commission. † Offered price includes all expenses if bought through manager. ‡ Premium tax. † Net of tax on realised capital. ‡ Yield indicated in % of net price. † Net of tax on realised capital. ‡ Yield before taxes. † Net of tax on realised capital. ‡ Yield before taxes. † Net of tax on realised capital. ‡ Yield before taxes.

INDUSTRIALS - Continued

High	Low	Stock	Price	Chg	Vol	High	Low	Stock	Price	Chg	Vol
122	121	British Petroleum	121.5	+0.5	100	122	121	British Petroleum	121.5	+0.5	100
123	122	Shell	122.5	+0.5	100	123	122	Shell	122.5	+0.5	100
124	123	Esso	123.5	+0.5	100	124	123	Esso	123.5	+0.5	100
125	124	BP	124.5	+0.5	100	125	124	BP	124.5	+0.5	100
126	125	Amoco	125.5	+0.5	100	126	125	Amoco	125.5	+0.5	100
127	126	Exxon	126.5	+0.5	100	127	126	Exxon	126.5	+0.5	100
128	127	Conoco	127.5	+0.5	100	128	127	Conoco	127.5	+0.5	100
129	128	Phillips	128.5	+0.5	100	129	128	Phillips	128.5	+0.5	100
130	129	Standard Oil	129.5	+0.5	100	130	129	Standard Oil	129.5	+0.5	100
131	130	Marathon	130.5	+0.5	100	131	130	Marathon	130.5	+0.5	100
132	131	Valero	131.5	+0.5	100	132	131	Valero	131.5	+0.5	100
133	132	Industrials	132.5	+0.5	100	133	132	Industrials	132.5	+0.5	100
134	133	Chemicals	133.5	+0.5	100	134	133	Chemicals	133.5	+0.5	100
135	134	Metals	134.5	+0.5	100	135	134	Metals	134.5	+0.5	100
136	135	Food	135.5	+0.5	100	136	135	Food	135.5	+0.5	100
137	136	Textiles	136.5	+0.5	100	137	136	Textiles	136.5	+0.5	100
138	137	Transport	137.5	+0.5	100	138	137	Transport	137.5	+0.5	100
139	138	Utilities	138.5	+0.5	100	139	138	Utilities	138.5	+0.5	100
140	139	Real Estate	139.5	+0.5	100	140	139	Real Estate	139.5	+0.5	100
141	140	Insurance	140.5	+0.5	100	141	140	Insurance	140.5	+0.5	100
142	141	Healthcare	141.5	+0.5	100	142	141	Healthcare	141.5	+0.5	100
143	142	Technology	142.5	+0.5	100	143	142	Technology	142.5	+0.5	100
144	143	Telecommunications	143.5	+0.5	100	144	143	Telecommunications	143.5	+0.5	100
145	144	Media	144.5	+0.5	100	145	144	Media	144.5	+0.5	100
146	145	Consumer Goods	145.5	+0.5	100	146	145	Consumer Goods	145.5	+0.5	100
147	146	Automotive	146.5	+0.5	100	147	146	Automotive	146.5	+0.5	100
148	147	Electronics	147.5	+0.5	100	148	147	Electronics	147.5	+0.5	100
149	148	Software	148.5	+0.5	100	149	148	Software	148.5	+0.5	100
150	149	Services	149.5	+0.5	100	150	149	Services	149.5	+0.5	100
151	150	Finance	150.5	+0.5	100	151	150	Finance	150.5	+0.5	100
152	151	Banking	151.5	+0.5	100	152	151	Banking	151.5	+0.5	100
153	152	Insurance	152.5	+0.5	100	153	152	Insurance	152.5	+0.5	100
154	153	Real Estate	153.5	+0.5	100	154	153	Real Estate	153.5	+0.5	100
155	154	Healthcare	154.5	+0.5	100	155	154	Healthcare	154.5	+0.5	100
156	155	Technology	155.5	+0.5	100	156	155	Technology	155.5	+0.5	100
157	156	Telecommunications	156.5	+0.5	100	157	156	Telecommunications	156.5	+0.5	100
158	157	Media	157.5	+0.5	100	158	157	Media	157.5	+0.5	100
159	158	Consumer Goods	158.5	+0.5	100	159	158	Consumer Goods	158.5	+0.5	100
160	159	Automotive	159.5	+0.5	100	160	159	Automotive	159.5	+0.5	100
161	160	Electronics	160.5	+0.5	100	161	160	Electronics	160.5	+0.5	100
162	161	Software	161.5	+0.5	100	162	161	Software	161.5	+0.5	100
163	162	Services	162.5	+0.5	100	163	162	Services	162.5	+0.5	100
164	163	Finance	163.5	+0.5	100	164	163	Finance	163.5	+0.5	100
165	164	Banking	164.5	+0.5	100	165	164	Banking	164.5	+0.5	100
166	165	Insurance	165.5	+0.5	100	166	165	Insurance	165.5	+0.5	100
167	166	Real Estate	166.5	+0.5	100	167	166	Real Estate	166.5	+0.5	100
168	167	Healthcare	167.5	+0.5	100	168	167	Healthcare	167.5	+0.5	100
169	168	Technology	168.5	+0.5	100	169	168	Technology	168.5	+0.5	100
170	169	Telecommunications	169.5	+0.5	100	170	169	Telecommunications	169.5	+0.5	100
171	170	Media	170.5	+0.5	100	171	170	Media	170.5	+0.5	100
172	171	Consumer Goods	171.5	+0.5	100	172	171	Consumer Goods	171.5	+0.5	100
173	172	Automotive	172.5	+0.5	100	173	172	Automotive	172.5	+0.5	100
174	173	Electronics	173.5	+0.5	100	174	173	Electronics	173.5	+0.5	100
175	174	Software	174.5	+0.5	100	175	174	Software	174.5	+0.5	100
176	175	Services	175.5	+0.5	100	176	175	Services	175.5	+0.5	100
177	176	Finance	176.5	+0.5	100	177	176	Finance	176.5	+0.5	100
178	177	Banking	177.5	+0.5	100	178	177	Banking	177.5	+0.5	100
179	178	Insurance	178.5	+0.5	100	179	178	Insurance	178.5	+0.5	100
180	179	Real Estate	179.5	+0.5	100	180	179	Real Estate	179.5	+0.5	100
181	180	Healthcare	180.5	+0.5	100	181	180	Healthcare	180.5	+0.5	100
182	181	Technology	181.5	+0.5	100	182	181	Technology	181.5	+0.5	100
183	182	Telecommunications	182.5	+0.5	100	183	182	Telecommunications	182.5	+0.5	100
184	183	Media	183.5	+0.5	100	184	183	Media	183.5	+0.5	100
185	184	Consumer Goods	184.5	+0.5	100	185	184	Consumer Goods	184.5	+0.5	100
186	185	Automotive	185.5	+0.5	100	186	185	Automotive	185.5	+0.5	100
187	186	Electronics	186.5	+0.5	100	187	186	Electronics	186.5	+0.5	100
188	187	Software	187.5	+0.5	100	188	187	Software	187.5	+0.5	100
189	188	Services	188.5	+0.5	100	189	188	Services	188.5	+0.5	100
190	189	Finance	189.5	+0.5	100	190	189	Finance	189.5	+0.5	100
191	190	Banking	190.5	+0.5	100	191	190	Banking	190.5	+0.5	100
192	191	Insurance	191.5	+0.5	100	192	191	Insurance	191.5	+0.5	100
193	192	Real Estate	192.5	+0.5	100	193	192	Real Estate	192.5	+0.5	100
194	193	Healthcare	193.5	+0.5	100	194	193	Healthcare	193.5	+0.5	100
195	194	Technology	194.5	+0.5	100	195	194	Technology	194.5	+0.5	100
196	195	Telecommunications	195.5	+0.5	100	196	195	Telecommunications	195.5	+0.5	100
197	196	Media	196.5	+0.5	100	197	196	Media	196.5	+0.5	100
198	197	Consumer Goods	197.5	+0.5	100	198	197	Consumer Goods	197.5	+0.5	100
199	198	Automotive	198.5	+0.5	100	199	198	Automotive	198.5	+0.5	100
200	199	Electronics	199.5	+0.5	100	200	199	Electronics	199.5	+0.5	100

INSURANCE - Continued											
High	Low	Stock	Price	Chg	Vol	High	Low	Stock	Price	Chg	Vol
131	130	Prudential Inc.	130.5	-0.5	100	131	130	Prudential Inc.	130.5	-0.5	100
132	131	MetLife	131.5	-0.5	100	132	131	MetLife	131.5	-0.5	100
133	132	Rockefeller	132.5	-0.5	100	133	132	Rockefeller	132.5	-0.5	100
134	133	Equity Life	133.5	-0.5	100	134	133	Equity Life	133.5	-0.5	100
135	134	Prudential	134.5	-0.5	100	135	134	Prudential	134.5	-0.5	100
136	135	MetLife	135.5	-0.5	100	136	135	MetLife	135.5	-0.5	100
137	136	Rockefeller	136.5	-0.5	100	137	136	Rockefeller	136.5	-0.5	100
138	137	Equity Life	137.5	-0.5	100	138	137	Equity Life	137.5	-0.5	100
139	138	Prudential	138.5	-0.5	100	139	138	Prudential	138.5	-0.5	100
140	139	MetLife	139.5	-0.5	100	140	139	MetLife	139.5	-0.5	100
141	140	Rockefeller	140.5	-0.5	100	141	140	Rockefeller	140.5	-0.5	100
142	141	Equity Life	141.5	-0.5	100	142	141	Equity Life	141.5	-0.5	100
143	142	Prudential	142.5	-0.5	100	143	142	Prudential	142.5	-0.5	100
144	143	MetLife	143.5	-0.5	100	144	143	MetLife	143.5	-0.5	100
145	144	Rockefeller	144.5	-0.5	100	145	144	Rockefeller	144.5	-0.5	100
146	145	Equity Life	145.5	-0.5	100	146	145	Equity Life	145.5	-0.5	100
147	146	Prudential	146.5	-0.5	100	147	146	Prudential	146.5	-0.5	100
148	147	MetLife	147.5	-0.5	100	148	147	MetLife	147.5	-0.5	100
149	148	Rockefeller	148.5	-0.5	100	149	148	Rockefeller	148.5	-0.5	100
150	149	Equity Life	149.5	-0.5	100	150	149	Equity Life	149.5	-0.5	100
151	150	Prudential	150.5	-0.5	100	151	150	Prudential	150.5	-0.5	100
152	151	MetLife	151.5	-0.5	100	152	151	MetLife	151.5	-0.5	100
153	152	Rockefeller	152.5	-0.5	100	153	152	Rockefeller	152.5	-0.5	100
154	153	Equity Life	153.5	-0.5	100	154	153	Equity Life	153.5	-0.5	100
155	154	Prudential	154.5	-0.5	100	155	154	Prudential	154.5	-0.5	100
156	155	MetLife	155.5	-0.5	100	156	155	MetLife	155.5	-0.5	100
157	156	Rockefeller	156.5	-0.5	100	157	156	Rockefeller	156.5	-0.5	100
158	157	Equity Life	157.5	-0.5	100	158	157	Equity Life	157.5	-0.5	100
159	158	Prudential	158.5	-0.5	100	159	158	Prudential	158.5	-0.5	100
160	159	MetLife	159.5	-0.5	100	160	159	MetLife	159.5	-0.5	100
161	160	Rockefeller	160.5	-0.5	100	161	160	Rockefeller	160.5	-0.5	100
162	161	Equity Life	161.5	-0.5	100	162	161	Equity Life	161.5	-0.5	100
163	162	Prudential	162.5	-0.5	100	163	162	Prudential	162.5	-0.5	100
164	163	MetLife	163.5	-0.5	100	164	163	MetLife	163.5	-0.5	100
165	164	Rockefeller	164.5	-0.5	100	165	164	Rockefeller	164.5	-0.5	100
166	165	Equity Life	165.5	-0.5	100	166	165	Equity Life	165.5	-0.5	100
167	166	Prudential	166.5	-0.5	100	167	166	Prudential	166.5	-0.5	100
168	167	MetLife	167.5	-0.5	100	168	167	MetLife	167.5	-0.5	100
169	168	Rockefeller	168.5	-0.5	100	169	168	Rockefeller	168.5	-0.5	100
170	169	Equity Life	169.5	-0.5	100	170	169	Equity Life	169.5	-0.5	100
171	170	Prudential	170.5	-0.5	100	171	170	Prudential	170.5	-0.5	100
172	171	MetLife	171.5	-0.5	100	172	171	MetLife	171.5	-0.5	100
173	172	Rockefeller	172.5	-0.5	100	173	172	Rockefeller	172.5	-0.5	100
174	173	Equity Life	173.5	-0.5	100	174	173	Equity Life	173.5	-0.5	100
175	174	Prudential	174.5	-0.5	100	175	174	Prudential	174.5	-0.5	100
176	175	MetLife	175.5	-0.5	100	176	175	MetLife	175.5	-0.5	100
177	176	Rockefeller	176.5	-0.5	100	177	176	Rockefeller	176.5	-0.5	100
178	177	Equity Life	177.5	-0.5	100	178	177	Equity Life	177.5	-0.5	100
179	178	Prudential	178.5	-0.5	100	179	178	Prudential	178.5	-0.5	100
180	179	MetLife	179.5	-0.5	100	180	179	MetLife	179.5	-0.5	100
181	180	Rockefeller	180.5	-0.5	100	181	180	Rockefeller	180.5	-0.5	100
182	181	Equity Life	181.5	-0.5	100	182	181	Equity Life	181.5	-0.5	100
183	182	Prudential	182.5	-0.5	100	183	182	Prudential	182.5	-0.5	100
184	183	MetLife	183.5	-0.5	100	184	183	MetLife	183.5	-0.5	100
185	184	Rockefeller	184.5	-0.5	100	185	184	Rockefeller	184.5	-0.5	100
186	185	Equity Life	185.5	-0.5	100	186	185	Equity Life	185.5	-0.5	100
187	186	Prudential	186.5	-0.5	100	187	186	Prudential	186.5	-0.5	100
188	187	MetLife	187.5	-0.5	100	188	187	MetLife	187.5	-0.5	100
189	188	Rockefeller	188.5	-0.5	100	189	188	Rockefeller	188.5	-0.5	100
190	189	Equity Life	189.5	-0.5	100	190	189	Equity Life	189.5	-0.5	100
191	190	Prudential	190.5	-0.5	100	191	190	Prudential	190.5	-0.5	100
192	191	MetLife	191.5	-0.5	100	192	191	MetLife	191.5	-0.5	100
193	192	Rockefeller	192.5	-0.5	100	193	192	Rockefeller	192.5	-0.5	100
194	193	Equity Life	193.5	-0.5	100	194	193	Equity Life	193.5	-0.5	100
195	194	Prudential	194.5	-0.5	100	195	194	Prudential	194.5	-0.5	100
196	195	MetLife	195.5	-0.5	100	196	195	MetLife	195.5	-0.5	100
197	196	Rockefeller	196.5	-0.5	100	197	196	Rockefeller	196.5	-0.5	100
198	197	Equity Life	197.5	-0.5	100	198	197	Equity Life	197.5	-0.5	100
199	198	Prudential	198.5	-0.5	100	199	198	Prudential	198.5	-0.5	100
200	199	MetLife	199.5	-0.5	100	200	199	MetLife	199.5	-0.5	100
201	200	Rockefeller	200.5	-0.5	100	201	200	Rockefeller	200.5	-0.5	100
202	201	Equity Life	201.5	-0.5	100	202	201	Equity Life	201.5	-0.5	100
203	202	Prudential	202.5	-0.5	100	203	202	Prudential	202.5	-0.5	100
204	203	MetLife	203.5	-0.5	100	204	203	MetLife	203.5	-0.5	100
205	204	Rockefeller	204.5	-0.5	100	205	204	Rockefeller	204.5	-0.5	100
206	205	Equity Life	205.5	-0.5	100	206	205	Equity Life	205.5	-0.5	100
207	206	Prudential	206.5	-0.5	100	207	206	Prudential	206.5	-0.5	100
208	207	MetLife	207.5	-0.5	100	208	207	MetLife	207.5	-0.5	100
209	208	Rockefeller	208.5	-0.5	100	209	208	Rockefeller	208.5	-0.5	100
210	209	Equity Life	209.5	-0.5	100	210	209	Equity Life	209.5	-0.5	100
211	210	Prudential	210.5	-0.5	100	211	210	Prudential	210.5	-0.5	100
212	211	MetLife	211.5	-0.5	100	212	211	MetLife	211.5	-0.5	100
213	212	Rockefeller	212.5	-0.5	100	213	212	Rockefeller	212.5	-0.5	100
214	213	Equity Life	213.5	-0.5	100	214	213	Equity Life	213.5	-0.5	100
215	214	Prudential	214.5	-0.5	100	215	214	Prudential	214.5	-0.5	100
216	215	MetLife	215.5	-0.5	100	216	215	MetLife	215.5	-0.5	100
217	216	Rockefeller	216.5	-0.5	100	217	216	Rockefeller	216.5	-0.5	100
218	217	Equity Life	217.5	-0.5	100	218	217	Equity Life	217.5	-0.5	100
219	218	Prudential	218.5	-0.5	100	219	218	Prudential	218.5	-0.5	100
220	219	MetLife	219.5	-0.5	100	220	219	MetLife	219.5	-0.5	100
221	220	Rockefeller	220.5	-0.5	100	221	220	Rockefeller	220.5	-0.5	100
222	221	Equity Life	221.5	-0.5	100	222	221	Equity Life	221.5	-0.5	100
223	222	Prudential	222.5	-0.5	100	223	222	Prudential	222.5	-0.5	100
224	223	MetLife	223.5	-0.5	100	224	223	MetLife	223.5	-0.5	100
225	224	Rockefeller	224.5	-0.5	100	225	224	Rockefeller	224.5	-0.5	100
226	225	Equity Life	225.5	-0.5	100	226	225	Equity Life	225.5	-0.5	100
227	226	Prudential	226.5	-0.5	100	227	226	Prudential	226.5	-0.5	100
228	227	MetLife	227.5	-0.5	100	228	227	MetLife	227.5	-0.5	100
229	228	Rockefeller	228.5	-0.5	100	229	228	Rockefeller	228.5	-0.5	100
230	229	Equity Life	229.5	-0.5	100	230	229	Equity Life	229.5	-0.5	100
231	230	Prudential	230.5	-0.5	100	231	230	Prudential	230.5	-0.5	100
232	231	MetLife	231.5	-0.5	100	232	231	MetLife	231.5	-0.5	100
233	232	Rockefeller	232.5	-0.5	100	233	232	Rockefeller	232.5	-0.5	100
234	233	Equity Life	233.5	-0.5	100	234	233	Equity Life	233.5	-0.5	100
235	234	Prudential	234.5	-0.5	100	235	234	Prudential	234.5	-0.5	100
236	235	MetLife	235.5	-0.5	100	236	235	MetLife	235.5	-0.5	100
237	236	Rockefeller	236.5	-0.5	100	237	236	Rockefeller	236.5	-0.5	100
238	237	Equity Life	237.5	-0.5	100	238	237	Equity Life	237.5	-0.5	100
239	238	Prudential	238.5	-0.5	100	239	238	Prudential	238.5	-0.5	100
240	239	MetLife	239.5	-0.5	100	240	239	MetLife	239.5	-0.5	100
241	240	Rockefeller	240.5	-0.5	100	241	240	Rockefeller	240.5	-0.5	100
242	241	Equity Life	241.5	-0.5	100	242	241	Equity Life	241.5	-0.5	100
243	242	Prudential	242.5	-0.5	100	243	242	Prudential	242.5	-0.5	100
244	243	MetLife	243.5	-0.5	100	244	243	MetLife	243.5	-0.5	100
245	244	Rockefeller	244.5	-0.5	100	245	244	Rockefeller	244.5	-0.5	100
246	245	Equity Life	245.5	-0.5	100	246	245	Equity Life	245.5	-0.5	100
247	246	Prudential	246.5	-0.5	100	247	246	Prudential	246.5	-0.5	100
248	247	MetLife	247.5	-0.5	100	248	247	MetLife	247.5	-0.5	100
249	248	Rockefeller	248.5	-0.5	100	249	248	Rockefeller	248.5	-0.5	100
250	249	Equity Life									

Saturday September 2 1978

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MAN OF THE WEEK

Europe's hand at the wheel

BY DAVID CURRY

THE TRIM YOUNG MAN with the classical good looks and diffident manner who tapped the microphone was obviously an aide from the public relations department preparing the stage for the entry of his chief. The chatter continued unabated among the journalists.

The young man cleared his throat, sat down and in a soft voice, as if even these words were deeply considered before being spoken, wished a general good morning to the assembly.

Mr. Jean-Paul Parayre, at 41 the head of Peugeot-Citroen, and bidding to make his group the biggest in Europe by buying the British, French and Spanish manufacturing and sales sub-

Jean-Paul Parayre
Picked out by talent-spotter Pompidou

sidaries of Chrysler, was ready to begin his press conference. It was a typical entry from Jean-Paul Parayre. Parachuted into an old-established group four years ago over the heads of long-time senior managers, he has established his position by quiet, reflective behaviour and deliberation in speech and action. The whizz-kid image with which he is endowed in the Press, the precocious competence which brought him a meteoric rise through the senior civil service, are not part of his business persona. Parayre still with the whiff of provinciality about it, controlled by the 5th generation of the Peugeot family (the enterprise began in 1810 as a steelmaker), with an intense pride in traditional engineering skills, would have been impermeable to the deliberate aggression of a man on the make.

Parayre's physical trimness is no accident: he is a keep-fit enthusiast, preferring to leave the office early for two hours tennis and then returning rather than become a foggy over a long afternoon in the office.

Even for one of the elite products of the French education system—a graduate of both the Ecole Polytechnique and the Ecole Nationale de Ponts et Chaussées—Parayre has turned in a spectacular performance. Picked out by that great talent-spotter President Pompidou, by his early 30s he was head of one of the most powerful of French Government departments—the Directorate of Metallurgical, mechanical and Electrical Industries—which is virtually the overlord of French industry.

He was one of what became known as Pompidou's "Four Musketeers"—the officials charged with the job of preparing French industry for a "le defi Americain"—a proclamation then as now. Significantly, the logic behind the Peugeot-Citroen-Chrysler merger is precisely Parayre's belief that European industry must acquire the dimension to compete with American and Japanese giants. During this time Parayre doubled as one of the Government representatives on the Board of the state-owned Renault company before in 1974 leaving the civil service to make his entrance—clearly Government backed—at Peugeot.

These were exciting days. His rapid move from director with out portfolio to planning head for Automobiles Peugeot to director of the car division of Peugeot-Citroen coincided with the Peugeot absorption of Citroen.

Thirteen months after becoming in June 1977 the head of the three-man ruling directory of the Peugeot-Citroen holding company he was able to announce the coup de theatre of the agreement to take over the European interests of Chrysler to create a group capable of producing some 2.3m vehicles a year employing 230,000 people and with a turnover of \$11.5bn.

But Jean-Paul Parayre is no absolute ruler. Peugeot has a collegiate management. Parayre's partners in the ruling triumvirate are not there to make up the numbers. Gerard de Pins, another Polytechnician, in his time the youngest Air Marshal in France and Pierre Peugeot, a member of the family which still controls over 40 per cent of the equity, are substantial figures, and decisions go by majority among the three.

Jack Jones attacks Civil Service power

BY CHRISTIAN TYLER, LABOUR EDITOR

SENIOR CIVIL SERVANTS have used their power to block industrial and economic policy changes, says Mr. Jack Jones, former general secretary of the Transport and General Workers' Union.

Mr. Jones, reviewing the progress of the social contract between Labour and the unions on the eve of his last TUC, said Ministers sometimes lacked the experience of industry or the "political clout" to see policies through.

He fears that the Labour Party is not attracting MPs of the right calibre. Like many other union leaders he believes the unions should do more to encourage politicians with experience of working life at the grass roots to make a career in politics.

Of the power of civil servants he said: "It's getting across to industrial civil servants that the important thing is the real power is very much with the permanent official."

An example was Lord Armstrong, former head of the Civil Service, who, Mr. Jones said, was at one time virtually running the country.

Furthermore, civil servants had sometimes watered down legislative proposals at the drafting stage. An example of that was the Advisory Conciliation and Arbitration Service, of which he is a member.

"ACAS has become a Civil Service department, when the intention was to have a completely independent service that was practically based, using the experience of employers and trade unions."

In policy matters the Civil Service had shown its power, for instance, blocking the TUC demand for import restrictions.

Incomes role

As architect of the social contract and virtual arbiter of TUC policy objectives Mr. Jones has had considerable experience of and contact with Government Departments.

His pronouncements have been closely scrutinised in Whitehall. Planning of incomes policy was almost entirely geared to his reactions.

Mr. Jones's attack on the power of the Civil Service comes at a

time when Whitehall is feeling particularly sensitive.

A special group has been set up to monitor public criticism, and to reply by writing to newspaper editors if it is felt that the service has been unfairly treated.

Yesterday the TUC announced a new initiative on the industrial strategy, a product of the social contract era in which civil servants have been involved, but which has disappointed union leaders by its lack of momentum.

Ten local conferences are planned for shop stewards to discuss various industries examined by tripartite sector working parties at national level.

The aim of the conferences is to encourage shop stewards to press employers at company or factory level to implement the findings of sector working parties.

The first conference, on the textile, clothing and footwear industries, will be on September 21 in Leicester. Mr. Eric Varley, the Industry Secretary, will address it.

The TUC has issued 200,000 copies of a special TUC newspaper distribution among the unions.

Tories are concerned on law and order

By John Hunt

LAW AND ORDER will be the chief concern of the Tory rank and file at the coming General Election, closely followed by the economic situation, the need for cuts in income tax and the high rate of unemployment.

This is clear from details released by Conservative Central Office of the motions received for the Party's annual conference which is scheduled for October 10.

If a General Election is declared before then, the conference will not take place.

Motions submitted on the need to protect citizens against lawlessness total 180. Economic policy with 112 motions, is the second priority.

In spite of the misgivings of some Labour Ministers, the impetus towards an October election—probably on October 5—continued yesterday.

A large number of Tory speeches were to be made over the weekend and Sir Keith Joseph, Tory Industry spokesman, issued a statement attacking the Prime Minister for defending the use of subsidies to create jobs and contain unemployment.

Sir Keith said that this merely displaced jobs in other firms and had to be paid for by higher taxation, higher borrowing or printing more money.

Mr. Merlyn Rees, Home Secretary, who remains unconvinced that next month is the best time for a General Election, said last night that the present Parliament did not end until October, 1979.

But whenever the election came, he said, Labour's appeal to the electorate should not be narrow one. In particular, it should have an attractive programme for the rural areas.

Continued from Page 1

African

many "elements" remained to be tied together.

The rebels are being held in President Kaunda's secluded and heavily-guarded lodge outside Lusaka and little information on their progress is expected to be made public. However, the aim of the meeting seems clear: to persuade the guerrillas to adopt a conciliatory position which the U.S. and Britain can use to lure Mr. Smith and his allies in the Salisbury executive council to all-party talks.

Both Mr. Mugabe and Mr. Nkomo have expressed willingness to attend such a meeting, but Mr. Mugabe's demand that the Rhodesian armed forces be dismantled and replaced by the guerrillas has been rejected by Mr. Smith.

There is intense speculation in Lusaka that Nigeria is offering to play a key role in the proposed United Nations peace-keeping force in Rhodesia—a central part of Anglo-American proposals—so that the guerrillas will feel they can soften their

Shorter hours will be top of TUC list

BY OUR LABOUR EDITOR

DELEGATES to the Trades Union Congress next week will be urged to make a shorter working week their top priority in the winter wage round, in an effort to combat rising unemployment.

This is the culmination of a campaign conceived several years ago but which has only come to life this year.

The General Council of the TUC decided yesterday to support a motion calling for shorter hours and unemployment.

A 35-hour week without loss of pay is the main element, along with earlier retirement, longer holidays and a cut in the amount of overtime. The motion will be introduced by the Transport Workers and seconded by NALGO, the local government union.

The threat to jobs will be the main preoccupation of union leaders at this congress, apart from the necessity of a Labour victory in the General Election expected next month. It has been fuelled by grim forecasts

of the impact of technological change, especially of micro-processors which are seen by many unions as a welcome development only if other jobs are found for those displaced.

Union leaders believe that the shorter week will be secured in many wage settlements despite employers' resistance and ministerial concern that it would cost more than the country can afford and damage Britain's competitiveness.

The other main decision of the General Council yesterday, meeting to consider next week's agenda, was to oppose a move by the General and Municipal Workers to stage the way in which the council itself is elected.

The idea of automatic and proportional representation for unions of over 100,000 members, the spreading of the rest of the seats among smaller unions and the scrapping of trade groups (the present constituency arrangement) was rejected in principle by the council earlier this year.

BASF considers two sites in UK

BY KEVIN DONE

BASF, ONE of the world's largest chemicals companies, is considering two areas of the UK for establishing a major new manufacturing site.

The location chosen are Humberside in northern England and Grangemouth on the Firth of Forth—but the company said yesterday that any decision to develop in the UK would not be taken immediately.

The pin-pointing of sites for possible expansion has formed part of a medium-term strategy report prepared for the main Board of BASF, one of the "big three" West German chemical companies.

The company is considering locations for a third European manufacturing site in addition to Ludwigshafen, West Germany, and Antwerp, Holland. It has looked at other locations in the UK as well as sites in the South of France, northern Germany and Norway.

The study group put its findings to the BASF main board earlier this year.

However, Mr. Walter Maack, managing director of BASF UK, said yesterday that so far no go-ahead had been given for the purchase of a site anywhere. No projects had been earmarked specifically for the UK.

BASF has manufacturing plants in many parts of the world but it has little presence in the UK apart from a small unit making binding agents for dyestuffs. This plant represents only about 1 per cent of the group's turnover in the UK, which is otherwise accounted for by imports from West Germany.

The UK has been studied as a location for expansion by all the major West German chemical groups, including Hoechst, Bayer and Veba. However, so far none of their ideas have gone beyond the planning stage.

New state oil post for Lord Croham

BY KEVIN DONE, ENERGY CORRESPONDENT

LORD CROHAM, formerly Sir Douglas Allen, has been appointed a part-time deputy chairman of the British National Oil Corporation.

The appointment, which carries an annual salary of about £10,000, is for three years.

Lord Croham was permanent secretary at the Treasury from 1968 to 1974, and Head of the Home Civil Service and Permanent Secretary at the Civil Service Department until he retired in 1977.

He will spend about two days a week on his new job at the State oil corporation and will continue in his other role as adviser to the Bank of England on relations with industry and Government.

His appointment by Mr. Anthony Wedgwood Benn, Energy Secretary, still leaves a gap near the top of BNOC. Lord Kearton, the chairman, has carried out the functions of a chief executive in the absence of a full-time deputy chairman.

The job of full-time deputy chairman carries a salary of £24,850 which will rise to £33,000 with implementation of the awards by the top salary review board.

A full-time deputy chairman would almost certainly have to be appointed from within the oil industry, but there appear to be few candidates of sufficient stature.

Lord Croham said yesterday that his main work would be in finance and administration.

Euro-link bond plan in Italian reforms

BY PAUL BETTS

ROME, Sept. 1. THE ITALIAN authorities are considering selling medium-term Government bonds pegged to a European currency unit as part of a wider reform of the country's public finances which could also eventually include the introduction of a "heavy lira" on the French model.

The currency change, which would see the present 1,000 lira unit changed to one new lira, would represent "the crowning of the country's efforts to regain stability," according to Sig. Filippo Maria Pandolfi, the Treasury Minister.

He stressed, however, that the adoption of both the "heavy lira" and externally-linked medium-term bonds largely depended on the swift implementation of the Government's 1978-81 economic recovery plan.

The Government has submitted the broad details of this package to the political parties directly supporting the minority Christian Democrat administration of Sig. Giulio Andreotti.

Among its main points are the gradual reduction of the inflation rate to single figures, overall cuts in public expenditure through a revision of the country's pension and social welfare systems, fiscal reform, and a thorough overhaul of public administration.

In a decision which reflects a feeling that the underlying inflation rate is coming down, the Central Bank's discount rate was cut to 10.5 per cent tonight.

Cut rates

The reduction from 11.5 per cent is regarded as tangible evidence of the Government's intention to promote a recovery in Italy's flagging industrial production. It is expected to be followed by a cut in commercial bank lending rates, now at 16 per cent for prime borrowers.

The Government also intends to promote a series of investments to create 500,000 new jobs in the next three years. This target is generally regarded here as optimistic.

Sig. Andreotti is due to meet representatives of the main political parties and trade union leaders in an attempt to secure Parliamentary approval for the programme and for next year's provisional Budget by the end of this month.

In October, an International Monetary Fund team is expected in Rome to finalise a new U.S. \$1bn standby facility for Italy.

Meanwhile Sig. Pandolfi has told the EEC that Italy is ready to repay \$1.1bn in outstanding EEC loans ahead of schedule.

Weather

UK TODAY

CLOUDY, cool, some rain.

London, E. Anglia, S.E. Cent. N. England, E. Midlands

Cloudy, some rain. Max. 16C (61F).

Cent. S., S.W. England, W. Midlands, Channel Is., S. Wales

Cloudy, sunny intervals, cool. Max. 18C (61F).

N. Wales, N.W. England, Lakes, I. of Man

Cloudy, sunny intervals, some rain likely. Max. 18C (59F).

N.E. England, Borders, Edinburgh, Dundee

Cloudy, some rain. Max. 14C (57F).

Aberdeen, Moray Firth, W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland

Cloudy, some rain. Max. 15C (59F).

N.E. Scotland, Orkney, Shetland

Cloudy, some rain, cool. Max. 12C (54F).

Outlook: Cloudy, some rain.

BUSINESS CENTRES

Ytd Midday Ytd Midday

Amsterdam F 100 100

Bombay F 100 100

London F 100 100

Paris F 100 100

Stockholm F 100 100

Switzerland F 100 100

Ytd Midday Ytd Midday

Amsterdam F 100 100

Bombay F 100 100

London F 100 100

Paris F 100 100

Stockholm F 100 100

Switzerland F 100 100

Ytd Midday Ytd Midday

Amsterdam F 100 100

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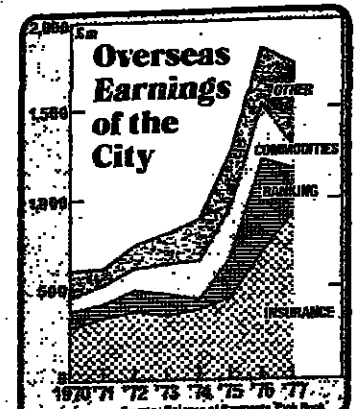
Stockholm F 100 100

Switzerland F 100 100

THE LEX COLUMN

Election jitters for equities

Index fell 0.5 to 498.0



Invisibles

The narrowing of the margin between borrowing and lending rates in the Euro-currency market was the chief reason for a reversal last year of the upward march of the City of London's invisible earnings. The annual Pink Book on the balance of payments shows that while the income from financial services—chiefly or commission income—rose to a new high of £1.37bn, the City's total contribution to the balance of payments fell to £1.75bn from £1.84bn.

Banks contributed to the rise in service income, earning £293m against £243m last year, but because of the adverse shift in interest differentials, their overall contribution was down from £416m to £254m.

The mainstay of the City's earnings remained the insurance sector. Lloyd's contributed £379m, the big insurance companies £345m, and the brokers £185m. All three contributions grew, although not at the head pace of the previous year. The £155m contributed by the Bank Exchange may come as a surprise to some. This figure has been static, however, over the past three years because of the depressed state of the shipping market. The Baltic Exchange's contribution multiplied its times between 1972 and 1973 on the back of soaring freight rates.

The disappointments of the year were the Community houses and the Stock Exchange membership. Commodity earnings were halved to £108m because of slack trading volume on the London Commodity Exchange and falling prices in the cocoa, coffee and sugar markets. The Stock Exchange's contribution has hovered around £20m for the past five years. The unattractiveness of British securities to foreign investors is the problem here, compounded by the Stock Exchange's inability—largely because of exchange controls—to become a force in the international capital markets.

The cliché that the market dislikes nothing so much as uncertainty has been borne out by the performance of equities as the time draws near for a decision on the date of the general election. The FT 30 share index has fallen each day this week, and is now almost 5 per cent off the 1978 peak reached on August 22. Nerves could continue to be stretched for a few weeks yet. Next week brings the Trades Union Congress which rarely has any comforting message for the City. There will follow a period of ten days or so during which Mr. Callaghan's final decision on, first, October 5 and then October 12 will have to be taken one way or the other. If both these dates are missed then it will appear as though the "fearful five" in the Cabinet will have to be put back to the spring.

What the City is afraid of is that a strongly based government of either complexion may take power in October. A Labour Government backed by a large Parliamentary majority and showing an almost inevitable shift leftwards in its policies would scarcely be the City's choice. Nor would a large Conservative victory be received with enthusiasm either, since in most investors' eyes it would be followed by a period of confrontation with the unions. Much more acceptable would be a small majority for either party or a hung parliament.

Whether this is a wholly realistic political analysis may be open to some doubt—but a large extent fund managers are probably just seizing an excuse to let their liquidity accumulate. Meanwhile there are other factors operating to encourage short term caution. Chief among these is the hardening of money market interest rates which has caused hopes of an early cut in Minimum Lending Rate to dwindle further. This week's further rise in U.S. interest rates has led operators in the money markets, like the discount houses, to abandon some of their speculative positions so that the yield curve is beginning to feature a more normal gap between short and longer terms.

Pinchin's pitch

Brokers queued up on the floor of the Stock Exchange yesterday morning for a rare opportunity to transact business with a new jobber in the gift-

edged market, Pinchin Denny. In the past decade, after all, the pattern has been for the jobbing fraternity to abandon the tricky market in Government stocks: back in 1972 Smith Bros. pulled out after an expensive three-month foray which resulted in losses of close on £400,000, while the longer established firm of Francis and Ford withdrew at about the same time. Since then the big institutional business in gilt-edged has been split between Wedd Durlacher and Akroyd and Smithers while four other small jobbing firms have handled the more specialised, private client type of business.

The great increase in the size of the gilt-edged market since 1975, however, with the Government pumping out between £5bn and £7bn net of new gilt-edged each year, has once again made the market an increasingly attractive jobbing proposition—Akroyd in particular have, at times, made huge profits. So after a year of planning Pinchin have now taken the plunge.

But to begin with Pinchin are not attempting to compete with the two gilt-edged jobbing giants. At this stage they are only making prices in £100,000 of stock, and although there are plans to raise this limit to £250,000 after a fortnight they will still not be in the same league as Wedd or Akroyd which commonly deal in upwards of £1m. Pinchin are talking in terms of a two or three-year learning period to gain experience and build up the team before making any attempt to turn the Big Two into the Big Three. Meantime they are taking a place among the small jobbers.

Pinchin had tentatively

planned to open their gift-

ed market, Pinchin Denny.

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